THE VETERANS' JOB TRAINING PROGRAM

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

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THE VETERANS' JOB TRAINING PROGRAM

Monday, June 15, 1987

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING
AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:10 a.m., at the Holiday Inn, Galesburg, IL, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Dowdy, Evans and Jontz.

OPENING STATEMENT OF CHAIRMAN DOWDY

Mr. DOWDY. The subcommittee will come to order.

As chairman of the House Subcommittee on Education, Training and Employment, we are pleased to be with you in Galesburg, IL this morning. It is my understanding that the subcommittee, before I became chairman of the subcommittee, held a hearing in Galesburg about 2 years ago, and we are pleased to be back.

Those of you who represent veterans' organizations and groups, I am from Mississippi and I bring you warm wishes from a fellow Mississippian, Sonny Montgomery, another member of our delegation who, as you know, is chairman of the Veterans' Affairs Committee of the U.S. House of Representatives.

Before we proceed with the witnesses who will be testifying before the subcommittee this morning, I want to introduce the other members of the panel. We will be conducting hearings here this morning and then later in the State of Indiana this afternoon.

A very important member of the Veterans' Affairs Committee of the United States House of Representatives is my friend, Lane Evans, from Illinois. Lane is a Vietnam veteran. We were all particularly impressed, when he was first elected to the Congress, by his determination to get an appointment to the Veterans' Affairs Committee. Since that time, I would say, probably more than any other member of our committee—perhaps save the chairman, Sonny Montgomery of Mississippi—Lane Evans has been most active and outspoken and has worked the hardest in the areas of veterans' legislation. He is, as you know, chairman of the Subcommittee on Oversight and Investigations, the investigatory arm of the Veterans' Affairs Committee of the U.S. House of Representatives. So I will introduce for opening remarks our host, my friend and colleague, Lane Evans.

OPENING STATEMENT OF HON. LANE EVANS

Mr. EVANS. Thank you, Mr. Chairman. I am particularly grateful for you coming into our district, and Congressman Jontz as well. I know that you all have individual problems going on back home in your districts, and I know Congressman Jontz' district is very similar to mine, coming from Indiana. The farm problems and unemployment problems that he faces are very similar to ours here in the 17th Congressional District.

Congressman Dowdy, I appreciate you coming because you're the author of the legislation that would continue the Veterans' Job Training Act and authorize badly-needed additional funding. It has been a pleasure to work with you on this issue, as on so many other issues. We have had a very "gung ho" subcommittee since Wayne has assumed the chairmanship.

In addition to reauthorizing this legislation through the Veterans' Affairs Committee and taking it to the floor very soon, we have already passed a GI bill program for today's veterans, for people going into the Armed Forces, which we think has benefited past generations of veterans and can now benefit the new people going into the Armed Forces. It has also helped us attract and retain very highly-qualified people in our Armed Forces.

I also want to thank everyone for coming to today's hearing. I am very pleased that we can hold hearings like this in our area when we have the opportunity because I think it is just another way that we, as Members of Congress, can learn about the concerns of average, everyday people and how we can improve the way their Government operates to make sure it is working for our citizens.

The subject of today's hearing is vitally important to our area and our country. As everyone is aware, the problems of unemployment continue to batter our towns and cities. In many areas, the numbers of those out of work are high and not getting any better. Even where there has been some progress, many people are still unable to gain employment, or must take lower-paying jobs that fail to match their skills or abilities.

As we are also aware, the "official" statistics fail to tell the whole story about unemployment and severely understate our local problems. Not counted are the many who stopped looking for work, or exhausted their benefits, or must work part time because full-time jobs are simply not available. Behind these statistics, however, are people—our friends and neighbors—who suffer daily as they are unable to achieve their hopes and dreams. It is a human tragedy that is too often repeated.

Many of our people who suffer from joblessness are veterans. The people who fight our wars and defended our country in time of war now face continued battles to gain good jobs, earn a good living, and provide for their families. A number of them confront problems similar to the rest of our citizens—a huge trade imbalance that closes factories and turns people out of work through no fault of their own, our continuing agricultural crisis, and a punishing budget deficit created through tax cuts to the wealthy at the expense of the average citizens of this country.

As we work to cure these problems, we must also ensure that the veterans who fought and defended this country are not, in effect,

penalized as a result of their service to this country. We cannot fail these individuals, nor ignore their problems. What we need are solutions.

The Veterans' Job Training Act is an important tool that can help our Nation's military veterans leave the ranks of the unemployed. Many people already consider the VJTA a successful and important program. I think it is an excellent example of how Government and business can form a partnership to promote and create employment opportunities. Here in Illinois, 29,000 veterans have been approved to participate in the program, and nearly 1,500 veterans have been placed in to job training.

But I think we can do more to make this program effective and to enlist greater participation by employers and veterans. Although veterans have indicated a strong interest in this program, we on the subcommittee are concerned that the placement rate is not higher.

We will have four panels of individuals who will talk about their experiences with this program. From their comments and testimony, I hope we can come away with suggestions and strategies to make sure that this program delivers job opportunities for our citizens, our veterans, and our district.

So I want to thank all of you for coming. I want to thank my two colleagues from the committee for coming, and I want to thank all the staff people on the House Veterans' Affairs Committee that gave up time to come into Galesburg. They had a good time at "Railroad Days" yesterday. They enjoyed that and enjoyed being here. Also, on my subcommittee staff of the Veterans' Affairs Committee that came in, and my congressional staff as well, working with so many of you to make this a success.

We do have to leave here by 11:15 so that we can go to Congressman Jontz' district in Indiana and hold a similar hearing about the effects of this program in Indiana. So we are kind of on a tight time schedule and we're going to ask the witnesses to keep their remarks to 5 minutes.

We also will be receiving written testimony from Mayor Stacy King of Silvis. Mayor, if you would stand up, we would like to welcome you. We appreciate you sending us the written testimony.

[The statement of Mayor Stacy King appears at p. 81.]

Mr. EVANS. Senator Paul Simon tried to make our hearing today but couldn't. He is also submitting written testimony.

[See p. 83.]

I just would like to also recognize all the members of my Veterans' Advisory Council, led by Eddie Joe Sperry. If they could stand up, I would like to give them a round of applause for all the hard work that they do.

[Applause.]

Thank you.

There are two unrelated items I wanted to mention. On August 7-9, 1987, the Vietnam Veterans of America, Chapter 299 of the Quad Cities, is holding a series of events to honor Vietnam-era veterans in the Quad Cities area. If you can come, we want maximum participation in that event, as we would like to see in Macomb on September 11-17, when the moving memorial wall comes to

Macomb. If you can attend those events, we would appreciate it. We do appreciate your attendance today.

Thank you again, Mr. Chairman, for coming into our district.

[The prepared statement of Hon. Lane Evans appears at p. 78.]

Mr. DOWDY. Thank you very much, Lane.

I have learned, in the several terms that I have been in the Congress, that being from Mississippi and the Deep South, I sometimes have trouble communicating with some of the Members of Congress, from New York, California, and other places. But Lane talks right and I can understand what he says.

[Laughter.]

But just in case—I met a number of you beforehand, and I met a Mr. Pullin, who is originally from Mississippi. Mr. Pullin, will you raise your hand? Will you be an interpreter for me just in case?

[Laughter.]

In addition to the Mayor's comments, which, without objection, will be made a part of the record, Senator Paul Simon has also introduced some remarks for the record. We have also received material from Mr. Richard Johnson, Mr. Charles Powell, Mr. David Crisp, and Mr. Gerald Wilson. If there is no objection, these materials will be submitted and made a part of the official record. Without objection, so ordered.

[The material appears at pp. 87–90.]

Mr. DOWDY. We are pleased to have with us today another member of the subcommittee, my friend Jim Jontz. Jim is from the Fifth District of Indiana. Later this afternoon we will have an opportunity to go into Jim's district.

When we undertook the preparation of the Montgomery GI bill, which was signed into law last week in a bill signing ceremony in the White House, we had several field visits to Fort Knox, KY, Lackland Air Force Base in Texas, at Parris Island, SC, and Orlando, FL. Jim Jontz participated in those visits and I found Jim to be a very hard-working member of our subcommittee and the full committee. So, Jim, we welcome you and appreciate very much your participation in the hearing and would receive any opening remarks you may have at this time.

Mr. JONTZ. Thank you, Mr. Chairman.

I simply want to say how pleased I am to be in Galesburg on this occasion in your company and also in the company of our host, Congressman Evans, whose commitment to the veterans of our Nation is unsurpassed in the Congress. I am impressed by the crowd we have this morning and I am looking forward to hearing the testimony.

Mr. DOWDY. Thank you very much.

Through the years the Congress has approved a comprehensive program of rights and benefits for veterans in recognition of their special contribution to our Nation. Congressional responsibility for these programs, however, does not end when a bill is signed into law. It is the responsibility of the members of the Committee on Veterans' Affairs to ensure that programs are implemented and administered by the agencies involved as intended by the Congress. This monitoring process is carried out at oversight hearings held both in Washington and in the field, as we are doing today. These types of hearings are particularly important because they provide

us with the opportunity to hear from the people who work with these programs at the grassroots level.

As we will be pointing out later in the hearing, the hearing that was held here in Galesburg 2 years ago—under the then chairman of the subcommittee, now U.S. Senator, Tom Daschle—resulted in substantive changes, significant changes being made in Federal legislation.

Today we will review the program of on-the-job training for Vietnam-era and Korean conflict veterans established under the Veterans' Job Training Act, Public Law 98-77. This program was developed in response to the severe employment difficulties experienced by these veterans. The harsh recession and fundamental structural changes in the American economy served to exacerbate pre-existing employment problems and contributed to the highest unemployment rate ever recorded for Vietnam-era veterans. As the economy has improved, many veterans have been able to reestablish themselves in the work force. Too many others, however, as shown by recent Department of Labor statistics, are still unemployed. In March of this year, over 406,000—that's 406,000—Vietnam-era veterans were still out of work and looking for work.

VJTA, as the program is popularly known, has proven to be very effective and is widely accepted by both veterans and employers. As of May 30, 1987, 49,000 veterans nationwide had been trained under VJTA.

Although VJTA is an excellent program, it can do better. Last week the Veterans' Affairs Committee approved legislation, H.R. 1504, which was developed by Lane Evans, Jim Jontz, and other members of our subcommittee. This bill, which I expect will be voted on in the full House of Representatives as early as next week, would amend the Veterans' Job Training Act as follows:

It would extend the deadline by which a veteran must apply to participate in VJTA from July 2, 1987, to September 30, 1990.

It would extend the deadline by which a veteran participant in VJTA must be enrolled in a job training program from January 2, 1988, to March 30, 1991.

It would authorize $30 million for fiscal year 1987 and $60 million for fiscal years 1988, 1989, and 1990.

The bill would set aside 5 percent of the funds appropriated for VJTA to establish a program of employability training and counseling for VJTA participants. This was an amendment that was offered by subcommittee member Joe Kennedy of Massachusetts.

And finally, H.R. 1504 would require the VA and the Department of Labor to do an in-depth analysis of VJTA so that we will have more information regarding those who are being served under this program and be better able to assess how effectively these veterans are being served.

We look forward to hearing your comments on these provisions and other aspects of VJTA. Your first-hand experience with this program will help us evaluate the strengths and weaknesses of VJTA and will assist us in determining what additional changes, if any, would improve this program.

I understand that some of you have written statements. These statements will appear in the official hearing record in their entirety. We would greatly appreciate it if, in the interest of time,

you would limit your opening remarks to about 5 minutes. This will give us an opportunity to follow up your statements with some questions.

Our first panel will consist of Mr. Michael Bates, who is the educational liaison representative at the Chicago VA Regional Office. Mr. Bates, we welcome you. We did not request written testimony from you.

Do you have a written statement?

Mr. BATES. No, I do not, Mr. Chairman.

Mr. DOWDY. All right. We thank you for being here, Mr. Bates, and would ask that you proceed. Then we would like to have an opportunity to follow that up with questions.

STATEMENT OF MICHAEL BATES, EDUCATIONAL LIAISON REPRESENTATIVE, CHICAGO VA REGIONAL OFFICE

Mr. BATES. I really have no statement, Mr. Chairman. I am pleased to be here today and I appreciate the invitation very much. I would be happy to answer any questions you may have about how the VA is trying to administer VJTA here in Illinois.

Mr. DOWDY. All right. We thank you.

I would ask that Mr. Evans proceed first with questions of the witness.

Mr. EVANS. Mr. Bates, as the chairman indicated, we are concerned particularly about the difference between the number of veterans who are certified to participate in the program and the number of veterans who are actually being placed. Can you offer any explanations for the difference and what, in your opinion, could we do to make the program more effective?

Mr. BATES. Okay, sir.

I think one of the primary reasons for the disparity between the number of approved programs and the number of approved employers we have versus the number of placements is that this program, on a nationwide basis, I understand, has primarily appealed to very small employers. We had employers, unfortunately, who applied very early on, optimistically expecting to be able to take some on in their employment. We have had a significant percentage, frankly, of employers we have approved who we have found out later no longer are in business.

As was pointed out a couple of years ago by the Department of Labor representative, we had an employer in the city of Chicago who estimated they were going to hire 50 people in an approved program. That employer ended up laying off about 200 people that they already had employed. So obviously they were not going to pick up any hires there.

I would attribute the relatively low placement rate on paper to some fairly soft numbers, frankly, in terms of how many real jobs there are that we have approved. Just for your information, sir, we have had thus far 1,578 separate employers in the State of Illinois apply. They have submitted applications for 2,126 training positions, for different jobs. We have been able to approve 2,036 of those. On paper, the number of job slots totally is 4,572. But again, I would emphasize the fact that many of those employers no longer are in business. A number of them were making projections that

they were going to be able to hire and were apparently overly optimistic. That, from my limited perspective as the person who approves the employers' applications, is the primary reason for the relatively low placement.

Mr. EVANS. What could we do to change the progrm to deal with that? I understand that some of these numbers are soft. I guess the program is oriented toward the smaller businesses.

Are there other improvements we can do to make it maybe more advantageous or maybe more stable for even larger businesses to get involved?

Mr. BATES. A personal suggestion of my own would be—as you know, currently, to be approved, an employer needs to fall into one of three general categories—that is for the job they are proposing. One such category is training which requires the significant use of new technological skills. Frankly, we have not approved a whole lot of those here in Illinois. The others are employers who are involved with growth industries as determined by the Department of Labor statistics, and then employers who are going to hire people for jobs in which demand exceeds supply for that particular job.

We have had some contacts with veterans employment representatives who have had some very decent jobs. For example, I can think of one position, that of a police officer in a municipality further downstate from here. Because these type of positions don't fall into one of those three main categories, it is very hard for us to approve them.

So I think that if the criteria concerning what is approvable, were to be liberalized to a point where it is any realistic job were covered, that would be quite a bit of help insofar as our approvals go.

Mr. EVANS. If counseling were made available to both the veteran and employer during the job training period, would this be useful? This is something that the chairman indicated we have added through Joe Kennedy's amendment. Would you think that would be helpful?

Mr. BATES. Yes, sir. As I am sure you know, there was a provision in the law that would allow for people who applied for a certificate of eligibility under this program to receive counseling, VA counseling, with our Vocational Counseling and Rehabilitation Division representatives. In Illinois, we had over 6,000 people who availed themselves of that particular counseling.

Some of the concern I would have pertaining to that is the people who apply for counseling, I am told, thought that this was going to lead to a direct job referral; rather, the people they were dealing with from our office were counseling psychologists who provided them with testing services and made suggestions as to what kinds of jobs might be appropriate for them to apply for.

Mr. EVANS. Could you comment on how much time is generally required to secure the various approvals needed for the program, how much time is needed for veterans certification, employer approval, and the commitment of financial assistance to an employer, and is it possible to be more efficient in that process?

Mr. BATES. Yes, sir. As I mentioned, I am responsible for the approval of the employers. I think that we have done fairly well in terms of timeliness on those.

I would imagine that somewhere between 80 to 90 percent of our applications, if they need no further development, are approved in our office within 5 working days. In cases where it's an emergency situation, where an employer has requested expeditious handling, we have approved a number of applications, frankly, in one day.

In terms of applications for certificates of eligibility, there is a wide time frame. There is really no set time, since whether or not we can expeditiously issue a certificate of eligibility to an individual veteran depends upon a number of factors, including whether or not they have applied for VA benefits before, whether we have a claims folder in our office, whether we have to go to another regional office to secure that, whether we have had evidence of their military service.

Mr. EVANS. How do we speed that up, because it seems to me that is one of the major problems. An employer who is interested in hiring somebody is not going to wait forever, or even a short period, really, to wait. If they're ready to go, they're going to want that person probably onboard today, if not tomorrow.

Mr. BATES. I would point out, sir, that under our current procedures, if a person were to be hired by an employer tomorrow, as long as they apply for a certificate of eligibility before the day they actually went to work, even if it took us, because of administrative delays, a month or longer to issue it, that person would still have a valid certificate of eligibility. The primary way of expediting this would be if the individual claimant were to be able to provide us with either an original Department of Defense form 214 or a certified copy of that form. That's the area of—

Mr. EVANS. How long does the certificate of eligibility last? How long is it good for?

Mr. BATES. It is currently good for 90 days.

Mr. EVANS. Thank you.

Mr. Chairman, I have no further questions.

Mr. DOWDY. Thank you, Mr. Evans.

Mr. Jontz.

Mr. JONTZ. I just have one question.

I know that here in Illinois, as is the case in Indiana, we have a large number of dislocated workers, with closings of plants in the agricultural implement industry or the auto industry or the steel industry. This has produced thousands of dislocated workers. In fact, the statistics I have seen indicate that some 26 percent of dislocated workers nationally are veterans.

Can you make any recommendations about how this program could be better designed to serve the particular problems facing dislocated workers?

Mr. BATES. Outreach for this particular program, sir, is the responsibility of the DOL working through the individual, so it is really not an area of our jurisdiction.

[Subsequently, the Veterans' Administration furnished the following clarifying information:]

Both the Veterans' Administration and the Department of Labor have responsibility in outreach under the VJTA: The Veterans' Administration to veterans and the Department of Labor to employers. As a practical matter, however, both the Veterans' Administration and the Department of Labor will outreach to either party.

Mr. JONTZ. So it would take the representative from the Department of Labor to really answer that question; from your perspective, you have no recommendations as far as meeting the needs of veterans who are dislocated workers?

Mr. BATES. No, sir.

[Subsequently, the Veterans' Administration furnished the following additional information:]

The Veterans' Administration currently has no specific recommendations concerning dislocated workers, but since the passage of Public Law 98-77, our approach to administering the jobs bill has undergone many changes that we believe have enhanced the veterans' chances for gainful employment.

Mr. JONTZ. Thank you.

I have no further questions, Mr. Chairman.

Mr. DOWDY. One question, Mr. Bates.

You said there were 6,000 veterans who had gone through a counseling process in the State of Illinois. Over what period of time was that?

Mr. BATES. Since the inception of the program, sir; roughly November of 1983.

Mr. DOWDY. And what does the counseling program, as it now exists in Illinois, consist of?

Mr. BATES. It consists of either a group meeting or one meeting with a counseling psychologist from the Veterans' Administration. In some cases, it gets very much in depth insofar as the person is given extensive testing. Hints on how to approach employers, what kinds of jobs the person should be seeking, basic job-seeking skills, are disseminated during those meetings. We hold them around the State. A person from that division routinely schedules them, depending upon the need in various parts of the State.

Mr. DOWDY. Have you done any sort of study to determine how effective the counseling program in Illinois has been with the 6,000 you have served?

Mr. BATES. Not to my knowledge, sir.

Mr. DOWDY. Any other questions of Mr. Bates? Thank you very much for appearing before us this morning.

Mr. BATES. Thank you, Mr. Chairman.

Mr. DOWDY. Is Mr. Parks present? Come forward, Mr. Parks.

Our next witness is Mr. Samuel Parks, who is State Director for Veterans' Employment and Training with the U.S. Department of Labor.

Mr. Parks, again we welcome you. We appreciate your attendance before the subcommittee for this hearing this morning.

Do you, Mr. Parks, have a written statement that you wish included in the record?

Mr. PARKS. Yes, I would like to give my opening statement, if I may.

Mr. DOWDY. All right. Do you have it prepared?

Mr. PARKS. Yes, I do.

Mr. DOWDY. All right.

STATEMENT OF SAMUEL L. PARKS, STATE DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

Mr. PARKS. Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today to discuss the Veterans' Job Training Program.

As you are aware, Mr. Chairman, the implementation and administration of this program was a cooperative effort of the Department of Labor and the Veterans' Administration. Since its incetion in December, 1983, the program has had the highest priority among all of our program activities. It was aimed at reducing long-term unemployment among veterans of the Korean conflict and Vietnam-era by reimbursing employers 50 percent of the starting wages, up to a maximum of $10,000, for each veteran hired for a permanent job requiring significant training.

The Veterans' Administration was responsible for certifying the eligibility of veterans, approval of employer training programs, and making payments to employers. The Department of Labor was given the responsibility for job development and job placement activities. The Department of Labor also accepted primary responsibility for employer outreach and promoting the program through public information.

The responsibility for performing outreach and job-generating activities was performed through our network of Local Veteran Employment Representatives and Disabled Veteran Outreach Program Specialists. This network of special program staff are funded through the Department of Labor and are mandated by title 38, U.S.C. to generte, develop and maintain jobs and job training initiatives to maximize employment opportunities for veterans. They are employees of the Illinois Department of Employment Security, housing in Illinois local Job Service offices.

The success of the Illinois' VJTA program is largely due to the team effort on the part of the entire local Job Service office staff, at each local office, working together to promote this program on behalf of the targeted veteran population in Illinois.

Mr. Chairman, according to the latest data provided to us from the Veterans' Administration as of Friday, June 12, 1987, 1,438 veterans have entered training programs as a result of the program.

Mr. Chairman, this concludes my statement. I am open for any questions you may have. Thank you.

[The prepared statement of Samuel L. Parks appears at p. 91.]

Mr. DOWDY. Thank you very much, Mr. Parks, for your testimony.

Mr. Evans, if you would proceed with your questions.

Mr. EVANS. I guess I have the same questions, Mr. Parks, that I had of Mr. Bates. I might say the Job Service has done a very good job here in Knox County, and we're going to hear about that in a few minutes.

But how do we make it more effective in terms of the difference between the number of veterans that are served? Would you agree with Mr. Bates about the sort of factors he indicated, that there are businesses that may not be too stable or solid being a part of

the reason why we haven't placed as many people, despite the eligible veterans and the numbers of certified employers?

Mr. BATES. Mr. Evans, I agree with Mr. Bates totally, because we work very close together and we have attempted to come up with solutions to some of the problems we have. Basically, as he said, employers have the intent to hire people but, not knowing what the market is going to be at a later date, they have had to cancel their job orders that they have placed with us, their training slots. I think that is one of the major problems that we've had. Again, though, I think that Illinois as a whole has done a very good job as far as VJT is concerned.

Mr. EVANS. Do you agree that there is a better need for counseling that should be made available to the veterans and employers both before and during the employment training process?

Mr. PARKS. Yes. The VA has been very cooperative in providing that type counselling, and we also have available through the Illinois Job Service offices—I was talking to my people from Washington about some new legislation. There will be what they call a case manager project going on if the legislation is passed. Yes, I think it should be.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. Mr. Parks, you may recall my question to Mr. Bates about the specific needs for assistance to veterans who may be dislocated workers as a result of plant closings.

Do you have any recommendations about how that population could be better served through the VJTA program?

Mr. PARKS. Well, as far as the VJT program is concerned, I think it is a very effective program as far as unemployed veterans. If you're speaking in terms of the dislocated veteran worker concept, we have programs in JTPA, the Job Training Partnership Act, that could possibly tie in with VJT as far as assisting those particular individuals.

Mr. JONTZ. Maybe I should ask the question in a different way.

Have you had any experience in the community where there has been a substantial number of dislocated workers as a result of a plant closing, where you knew there were a large number of veterans in that population? Has anything different been done in order to market the VJTA program to the dislocated workers or to the employers in the community in order to take advantage of the program?

I get the impression that there are still a lot of people who are not aware of this program, and when you have a concentration of unemployed and dislocated workers in a community as a result of a plant closing, and you know there is a specific need there in a certain period of time, it just seems logical to me that some special effort could be made—whether through the Department of Labor or the Veterans' Administration or both—to see that the benefits of the VJTA program were made known to the employers in the area and also the dislocated workers who are veterans.

Let me ask it this way. Has any special effort of this sort been made, or do you think it would be of any benefit if it were?

Mr. PARKS. Well, the answer to your question is yes. There has been quite an extensive amount of that type activity taking place.

For example, in the southeast side of Chicago, you have got the closing of the steel mills. We have been very aggressive in that area in marketing the VJT program. We have also marketed in that particular area the Job Training Partnership Act program. We have marketed in that area on TV, radio, you know, and PSAs.

Mr. JONTZ. Do you have any statistical analysis of how many former steelworkers, for instance, have been successfully employed through VTJA?

Mr. PARKS. No, I don't have those statistics readily available. I am certain there has been quite a number of former steelworkers that have been placed through the VJTA program. For example, we dealt with the Greyhound Corporation in Chicago to place some of these people. But to give you an actual number or statistical data on that, I do not have it.

Mr. JONTZ. You have not done a follow up, per se, on any specific plant closing or specific—

Mr. PARKS. No, we have not.

Mr. JONTZ. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. Mr. Parks, in your testimony, so that I understand it, there have been 1,438 veterans in the State of Illinois since the inception of the VJTA program?

Mr. PARKS. Yes.

Mr. DOWDY. Does that number indicate those veterans who have gone the full cycle of the VJTA training period?

Mr. PARKS. Well, I wouldn't say have gone the full cycle. I would say that those are the people that we have actually gotten notice of intent to hire from the VA in Houston, TX, from their data processing system.

Mr. DOWDY. So this is the number of those that have been placed?

Mr. PARKS. Yes.

Mr. DOWDY. In hearings we've held in Washington we have been told about very large numbers—not here in Illinois particularly, but in all 50 States—large numbers of veterans who, once they are placed, do not complete their training programs.

Would you agree that this is a problem in the VJTA program?

Mr. PARKS. Well, no, I wouldn't totally agree with the fact that a large number of them do not complete the training. We have had some of those issues here in Illinois. I don't think it is a major problem in the State of Illinois. I think the major reason why we have not placed more veterans into VJT is the fact that employers actually had real good intentions of hiring veterans but the economy changed so they could not place those people.

I think overall the number of veterans in the State of Illinois that signed up to participate in the program, by and large, I think most of them remained in the program.

Mr. DOWDY. All right.

Mr. EVANS. Mr. Parks, Chris Smith, a colleague of ours on the committee, had an amendment, if I recall correctly, Mr. Chairman, that would study the impact of plant closings, big plant closings, on veterans in particular, in a way to study that particular problem. I guess that is something you have not only faced in Chicago, with the steel mills that are shut down, but here in the 17th District

with OMC, which closed down here in Galesburg, and some of the other large employers.

What might we do to make this program more effective? Our Senator, Paul Simon, has some legislation, for example, which would require plant closing notification to give us more or less a head start for the Job Training Partnership Act program.

Would that be useful—although I realize that for a veteran to be eligible he has to be unemployed for X-number of weeks before he is eligible for this program. Do you think there is anything we might do, in either veterans' legislation or other legislation, that might help us ease the transition of some of these workers when there is big, massive layoffs or losses of jobs because of plant closings?

Mr. PARKS. Yes, Mr. Chairman. I think one of the things that would really benefit not only Vietnam-era veterans but all veterans, one of the things we could do to enhance the program would be to eliminate the deadline for unemployment. The number of weeks, 10 weeks, I think that would benefit all veterans.

I think one of the problems we have here in Illinois is we've got basically a service industry right now. It's no longer the big industrial area that it once was. So I think eliminating the 10-week unemployment criteria would assist the program, assist more veterans as far as their unemployment problems.

Mr. EVANS. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Parks, for your testimony, and also Mr. Bates.

Mr. Bates, I meant to comment earlier and overlooked it, but in reviewing the testimony from 2 years ago we saw that you had personally won national approval for MacDonalds and Montgomery Ward for participation in the program. Again, we commend you for it.

Mr. BATES. Thank you.

Mr. DOWDY. We thank both of you for your testimony.

Mr. PARKS. Thank you.

Mr. DOWDY. We will ask the witnesses, when you come forward, be sure to pull the mike in front of you and talk as loudly as possible so that you can not only be heard here in the room but by those who are transcribing the material for the purposes of the hearing.

Our next witnesses are a panel from the Illinois Department of Employment Security and VA vet centers. We have Mr. Gerald Kessel, veterans representative, Illinois Department of Employment Security. He is accompanied by Mr. Bob Goodall, veterans representative, Illinois Department of Employment Security. Also, Ms. Donna Buechler, team leader with the Peoria Vet Center, accompanied by Mr. Byron Coghlan, team leader with the Quad Cities Vet Center.

We would ask all of these witnesses to please come forward.

Do any of you have a written statement that you would like to have introduced in the record?

Mr. KESSEL. Yes, sir. I mailed my copy to Washington earlier, and I have one I would like to read here today.

Mr. DOWDY. All right. Proceed, Mr. Kessel.

STATEMENTS OF GERALD L. KESSEL, LOCAL VETERANS EMPLOYMENT REPRESENTATIVE, ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY; ACCOMPANIED BY BOB GOODALL, VETERANS REPRESENTATIVE, ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY; AND DONNA BUECHLER, TEAM LEADER, PEORIA VET CENTER; ACCOMPANIED BY BYRON COGHLAN, TEAM LEADER, QUAD CITIES VET CENTER

STATEMENT OF GERALD L. KESSEL

Mr. KESSEL. I appreciate you gentlemen coming to the front lines of Galesburg, IL to gather informtion about the Veterans' Job Training program.

Title 38 provides that "As long as unemployment and underemployment continue as serious problems among disabled veterans and Vietnam-era veterans, alleviating unemployment and underemployment among such veterans is a national responsibility." To meet this responsibility, Congress enacted Public Law 98-77, the Veterans' Job Training Act, in August of 1983.

The purpose of this act was to address the problem of severe and continuing unemployment among veterans by providing financial incentives to encourage employers to hire and train certain wartime veterans for stable and permanent positions. Funding for new on-the-job training contracts under this program has slowly been curtailed and eventually stopped. I am not sure if it was stopped to balance the budget or because the unemployment rate is dropping.

I strongly believe in reducing the national deficit, but I think the best way to achieve this is through a highly-skilled work force that can out-class the foreign competition.

Since this program was first enacted in 1983, the unemployment rate has dropped 3.4 percent nationally, 3.2 percent in Illinois, and 3.0 percent in Galesburg. This drop in the unemployment rate can be very misleading. The number of veterans seeking work through our Illinois Department of Employment Security offices rose 14 percent from 1984 to 1986 at the same time the Illinois unemployment rate was dropping. For example, in the program year ending 6/30/84, we had 100,000 veterans seeking work through our offices in Illinois; in 1985, it rose to 112,000; in 1986 it rose to 114,000; and as of today, it is 104,000 and we have a month to go yet.

The number of Vietnam-era veterans seeking work increased 20 percent, and the number of disabled veterans increased 28 percent. In addition, these figures do not include an estimated tens of thousands of Illinois veterans who have given up seeking work or who have taken jobs below their skill levels. My point is that, even though unemployment is dropping, the number of vets who are seeking work is not.

In the Galesburg area we have had similar experiences. In 1983, with 15.1 percent unemployment, we had 2,000 veterans registered at our office. In 1986, when the unemployment rate had dropped to 13 percent, we had over 3,000 veterans registered. Between 1983 and 1986, we placed 1,600 vets in full-time work, 600 in part-time work, 72 in jobs under the Veterans' Job Training Act, 50 in VA work study, and 30 in VA voc rehab. By working closely with JTPA, another 500 veterans were enrolled in classroom training

and OJT programs. At the end of this fiscal year, June 30, we will still have over 2,500 veterans registered for work with us.

The American Legion National Commander, James Dean, in their current issue of the June, 1987 magazine, sums it up like this: "The reasons are complex, but a major factor fueling the fire of unemployment is the economic transition America is experiencing. As the nation switches from heavy industry to high technology and service-related employment, veterans are being displaced from their middle income industrial jobs and, because they lack certain skills or education, they are ending up with lower-income jobs. This has resulted in evictions and home mortgage defaults, as well as family break-ups."

This is exactly the case here in Congressman Evans' district. In the past few years, hundreds of veterans have lost their manufacturing jobs with Outboard Marine, Farmall, International Harvester, J.I. Case, Caterpillar, John Deere, et cetera. Many of these workers have taken a drop in pay from over $11 an hour, with excellent benefits, to under $5 per hour with few or no benefits. Many are still unemployed and others are on welfare. We must do everything we can to retrain these veterans.

One thing we can do that will have an immediate effect is to extend the VJT program. This is an excellent program which just keeps getting better with time. It is easy to work with and is very productive. The Veterans' Administration regional office in Chicago gives us excellent support in administering this program. The program has become well accepted by employers and is in demand. Veterans like the program because it gives them a ray of hope for their futures.

It is recommended that Congress re-fund this program on a 3-year basis and provide for a renegotiable clause 6 months before the expiration to eliminate the on again/off again funding.

It is further recommended that the program be modified to include all veterans, especially newly-released veterans.

Congressional attempts to make Chapter 30, the new GI bill, permanent would be a giant step forward in helping newly released veterans. These veterans are having extreme difficulty breaking into the tight labor market. The annual number of recently released veterans registered for work in Galesburg jumped 173 percent from 1984 to 1986. In 1984 we had 83 newly released veterans registered. Today we have 226. I look upon this as a "stacking" effect and we need to do something about it.

Another consideration for providing retraining for the large number of veteran unemployed industrial workers would be an extension of the Vietnam veteran GI bill, Chapter 34. Several hundred Vietnam-era veterans in our area did not use their GI bill because they found good factory jobs as soon as they came home from the service. Now, when they need the GI bill, it is not available to them. If Chapter 34 could be extended until December 31, 1991, and the 10-year usage or eligibility period waived for veterans who were employed during their eligibility period, the results would far outweigh the cost.

Many of these veterans would then be eligible for the VA work study program as veteran resource persons while going to college. This would help them meet their family financial obligations.

All of these things will help, but we must figure out new ways to get more veterans through college and vocational schools so they can compete for professional and highly technical jobs.

There was one area here I have included but don't have time to read, and that is that I think the newly released veterans should be eligible for 26 weeks of unemployment, where now they're only eligible for 13 weeks. It takes them 7 weeks to get their first check, and if they don't have any more money than I did when I got out of the service, they can't make it for 7 weeks.

Thank you.

[The prepared statement of Gerald L. Kessel appears at p. 94.]

Mr. DOWDY. Thank you, sir. The balance of your statement will, without objection, be made a part of the record.

Do either of the remaining witnesses have any prepared remarks? Ms. Buechler.

STATEMENT OF DONNA K. BUECHLER

Ms. BUECHLER. Mr. Chairman and members of the subcommittee, I would like to thank you for allowing me to testify. My name is Donna K. Buechler and I am a Vietnam veteran. I am also the team leader at the Illini Vet Center in Peoria, IL. The Illini Vet Center is one of 189 vet centers established throughout the Nation by Congress to provide readjustment counseling services for veterans.

The need for readjustment counseling—that is, those services which help a capable and competent military person become a capable and competent civilian—is slowly being recognized as a legitimate need. Not every veteran needs this assistance, but we as a Nation are finally realizing that that is no reason to deny those who, in fact, are in need.

I strongly believe in service to this country, as demonstrated by my own military service. I am convinced that a strong military stance is necessary to keep America free. But I also believe that the country will only stay free as long as Americans can be proud of their Government and thereby support her. And I believe that that pride can only come from knowing that our Government plays fair. We give when she is in need, and she gives when we are in need. It is each being able to trust in that give-and-take that makes America and Americans strong and confident. Pretty words on Veterans Day and Memorial Day are nice, but they are not enough to maintain a trusting relationship.

When help is needed, it must be there, and the most common reason a veteran initially seeks us out is for help in finding a job. The Veterans' Job Training Act provides ready assistance. There are close to 3,500 occupations a veteran can be trained in through the VJTA. The paperwork has been streamlined and our job developers have been trained to help the company representatives develop their program and complete the application. All of this helps move that application through the VA system quicker than any other job training program, thereby getting the money out to the contractors faster where it can be put to use sooner.

In the Peoria area alone, we have an unemployment rate of over 10 percent. All studies done have consistently shown that Vietnam

veterans make up a very large block of those unemployed or underemployed. That appears to mean that by our providing military service to our country, we will pay over and over again by our financial future being held in jeopardy.

The VJTA helps reverse that situation by retraining that veteran when the need arises. The strongest point of that program is the veteran. A business organization is taking someone who was capable and competent in the military, someone who has been exposed to numerous classroom and on-the-job training hours while serving in the military, someone who can obviously learn, is capable of following directions, is capable of working under stress and working as a member of a team, taking all of that background and all of that potential and giving it direction by training the person for a specific job at a specific place of employment.

The employer teaches the employee and, in return, the employer gets 50 percent of the veteran's starting salary, or up to $10,000, reimbursed, all for investing in a veteran. Vietnam-era veterans and Korean-era veterans are already a targeted population for affirmative action. It seems counterproductive to even consider curtailing a program that is intended to help them.

Education and training have consistently proven to be worthwhile investments. We get back so much more than what we invest, in money alone, but what we get in strength and confidence, and pride for America, is beyond our ability to measure at this time. But it is not beyond our ability to see. The difference between that veteran who comes to the center with only potential but no job, and that same veteran after being given a chance with a job, is stark and profound.

That vet is usually a male in his mid- to-late thirties, married and has children. The first one is frequently unshaven, unkempt, head down, sad, angry, no hope, probably a little hung over, arguing with his wife and upset with his kids, feeling entirely as though life has passed him by and he doesn't know why. He did everything that he thought he was supposed to do, many times including going to war, and yet his life is out of control and a mess.

We evaluate that person's life situation, his or her skills and interest level. We give them some support, help them get some food on the table, while finding a company to give them some training so the vet's skills now match the current job market.

I then see that same vet come into the center, clean shaven, hair cut, smelling nice, smiling, head up, hopeful, no hangover, probably still arguing with the wife and probably still upset with the kids. But life is now manageable. He has the strength to now deal with any personal or family problems that were also present at those initial assessment sessions.

Many veterans stay with us for more in-depth readjustment counseling once those basic needs are met. No, a decent paying job doesn't solve all the problems, but it sure relieves a lot of stress so that the individual and the family can pull their resources together and start to build a life that is both positive for them and positive for America.

Thank you.

[The prepared statement of Donna Buechler appears at p. 105.]

Mr. DOWDY. Thank you very much, Ms. Buechler, for a very thoughtful statement, and also to you, Mr. Kessel.

Are there any other prepared comments from any of the witnesses?

STATEMENT OF BYRON COGHLAN

Mr. COGHLAN. Well, my statement is submitted and it just echoes what everyone else has said. The only thing I really wanted to add was that from September to the end of May, the Quad Cities Vet Center has seen 600 new Vietnam-era veterans come in for counseling. Of that number, 325 have received some form of job counseling, whether it be for employment or unemployment counseling. That is quite a significant impact. So this program is very much needed.

I won't take any more of your time.

[The prepared statement of Byron Coghlan appears at p. 106.]

Mr. DOWDY. Thank you.

Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

At the outset I want to commend Jerry Kessel for the outstanding job he has done on behalf of veterans' employment. Galesburg has had some of the highest unemployment in the State of Illinois over the past 4 years, and yet we've had the leader in veterans' placement among the 62 offices in our State right here because of your leadership. You have also been the lead in the placement of Vietnam veterans and disabled veterans with Federal contracts the past 4 years.

Earlier this year, Jerry, your commitment and dedication to veterans' employment was recognized by the Veterans of Foreign Wars. Jerry was the recipient of the distinguished service award for his "extraordinary meritorious service" which substantially contributed to the meaningful employment and training of veterans. So, Jerry, we are pleased to be out here on the front lines with some of the "grunts" fighting the battle. We appreciate your work. Thank you and congratulations.

You know, you mentioned some factors that are really beyond the jurisdiction of this committee. We deal with them in other ways in Congress. The farm problems, the decline of the manufacturing jobs, is something that I think has really hurt this area and has impacted on veterans in particular, because when a lot of our veterans got out of the service, they only had to fill out applications and they were given jobs that same day. They never had to do any kinds of resumes or lengthy job searches. So these are problems we're trying to grapple with besides our veterans' programs. I have known of some veterans who have been through two or three retraining programs and then maybe there's minimum wage jobs, if any jobs are available, once they get out.

But we are looking at least at how to make this more effective within the confines of the current situation. We are trying to work on other fronts to do something about the unfair trade deficit that is taking American jobs, losing American jobs, because of unfair foreign competition.

How might we make our programs better to help these dislocated veteran workers? Do you have any suggestions on plant closings and notification, things of that nature?

Mr. KESSEL. We participate in plant closing seminars and we try to give each one of these veterans some one-on-one individual counseling initially, and as often as we feel they need that. We hand out a 10-page booklet we have prepared that tells them about VJT/JTPA, the Illinois Veterans' Scholarship, the Veterans' Commission, the Veterans' Affairs Office, and we direct them down to JTPA to get enrolled. As I understand it, a dislocated worker immediately qualifies for the JTPA, which has been a great help.

I think we're doing about everything we can in this area here. I don't know what else to recommend to you, unless we reduce the requirements on the targeted job tax credit to anyone that's been unemployed 10 weeks instead of having to be a certain targeted group—In other words, make them a targeted group if they've been unemployed 10 of 15 weeks.

Mr. EVANS. What kind of notice are we getting when we have plants closing here? You say you work when there's a plant closing situation. What has been about the average of some of our at least medium sized to larger firms in terms of the notice that we get that a plant is closing, in your experience?

Mr. KESSEL. As soon as we find out a plant is closing, the Job Service, the Public Employment Office and JTPA, will meet with them, as do the other service organizations. They all get together and have a program that explains every asset available to the veterans.

Mr. EVANS. I guess my question is, can you give us an idea of what kind of notice you're getting before a plant actually closes, how many days or months that you get before the notice is released and the plant actually closes?

Mr. KESSEL. I would say at least 60 days, sir.

Mr. EVANS. You've been getting 60 days.

Mr. KESSEL. Or further ahead than that, 60 to 90 days.

Mr. EVANS. Have you felt there is a better attitude of employers toward Vietnam veterans today as opposed to earlier? Could you comment about that?

Mr. KESSEL. I think there's a better attitude of everyone towards us Vietnam veterans than there was 17 years ago when I got out of the service. I don't see any problem in that area here.

Mr. EVANS. You have also been very instrumental, as one of our next panel representatives, Mr. Godsil, who is going to testify that you helped walk him through the internal bureaucracy of our program. I think that is useful.

Is that what is going on in other offices, or is that why you stand out so well as among the 62 offices here? Is it something we might improve on or require improvement in?

Mr. KESSEL. We have always made up the training program for the employers and the application. We even went as far as to figure out what the employer's main types of work or occupations were and made up samples and sent it to them, hoping that they would use that.

I think I can comment on the question that Mr. Jontz had. We signed up a lot of employers in the hopes that business would get

better, because we were so anxious to get veterans to work under this program. And then, at one time, we had 25.1 percent unemployment here back in 1985 and 1986, so we had to cancel about a hundred positions. For example, with Wilson's, we wrote 20 for all-around butchers and 20 for ham-boners. We thought boy, we're going to get 40 hired here. They actually hired about 13, and then they closed. With Admiral we had 50 positions for large appliance assemblers, and then their business slowed down a little bit and we had to cancel 37 of those out.

So I can't remember one case where an employer was ready to hire a veteran under this program that we didn't already have a veteran lined up. So these figures just got blown out of proportion, and I'm responsible for some of that because we were eager to get the employers to apply.

Mr. EVANS. Well, you still stand out. I think maybe your example is something that perhaps the State office ought to be following. So we appreciate your having the people lined up in the first place when these jobs do become available.

I guess my next kind of series of questions will be oriented toward Donna and Byron. First of all, let me express our appreciation to both of you because I have been to both veteran centers and I think they do an outstanding job, not only just helping our veterans with placements through programs like this but reaching out and getting a hold of a lot of alienated veterans, people that have had real problems in dealing with some of their service experiences.

I would also like to mention that Byron is leaving the Quad Cities Vet Center in July to accept a position as a vet center regional manager in Baltimore, MD. So, Byron, good luck there.

Jerry indicated that some of the statistics are misleading. It causes me a great deal of concern because all three of us here, my two colleagues and myself, have worked to extend the vet center program. We are facing a real frontal assault at this time from the Office of Management and Budget and the administration about the continuation of this program. We passed legislation that will extend the program, at least until some reports about the effectiveness of the program are given to us. Those reports are already long overdue. I have even had to go to the extra length of filing suit with some other Members of Congress to keep the vet center program.

It is disturbing to me as well because this is occurring at a time when Jerry is indicating the numbers of veterans are having difficulty with unemployment. It is also coming at a time when our Governor has indicated he wants to close down a number of State Veterans' Affairs offices.

Are we seeing any decreased demand in what you're seeing in terms of the services for unemployed veterans or other veterans that need help, either through our State Veterans' Affairs offices or our vet center program?

Mr. COGHLAN. Well, locally, in the State of Illinois, but also nationally, when the vet center program legislation was passed in 1978 and the first one was opened in 1979, it was anticipated that the numbers, as the program evolved, that the numbers would start to drop off. That has not materialized. The numbers are as

high now as they were when they first opened. The number coming in, as I indicated earlier, as far as the Quad City Vet Center, for employment or unemployment counseling, is significantly a part of the counseling service that we do provide.

The unemployment, in itself, can't also be resolved. You have readjustment problems with Vietnam-era veterans. I think the vet centers, in themselves, offer a service that can help the program become more successful. We can get involved in skills training and interviewing techniques for veterans who want to go out and need help in seeking employment. We can also, once the veteran is involved in a training program, or is involved in employment, continue to provide counseling to help them deal with the stress, whether it is family, alcohol or drugs, or just handling everyday stress relating to the employment.

So the vet center program, as well as the VJTA training program, are ones that I think have not run their course yet. There is still very much a need for them. They are both very effective programs.

Mr. EVANS. Well, we consider veteran education assistance a form of readjustment benefits, and I think you pointed out the reason why. I think Jerry Kessel talked about the need to balance our budget, but I don't know how you do that when so many people are unemployed, who aren't paying taxes and are drawing on some of our benefits. We lose a good deal of money because of that.

But I read your written testimony that you submitted, Byron, where you said some 60,000 veterans have committed suicide or died a violent death upon returning from Vietnam. Fatalities, then, really can't be just confined to those who died as a direct result of the war, it seems to me. Would you say that unemployment and underemployment are related to this tragedy?

Mr. COGHLAN. Oh, definitely. I think the reason we still have veterans coming in and the accumulation of problems over such a long period of time is because of the loss of pride. That pride was lost after the veterans returned from Vietnam. Most of them felt they went for a just cause to defend their country and they came home and were not able to support their families, let alone defend their dignity. Once the pride is stripped away, a lot of them choose to become very reckless and a lot of times choose the easy way out for themselves.

Mr. EVANS. Donna, I see you nodding your head. Do you have any comments in that regard?

Ms. BUECHLER. Yes. I would have to strongly agree that there are so many difficulties in terms of the veterans dealing with the whole issue of Vietnam and the impact of Vietnam that the job factor certainly becomes part of the fallout problem in terms of not being able to stay with a job, and the economy being poor, also. So they get it from one end or the other. So yes, I think the vet center program and the whole job training program are important. They are a marriage that needs to stay together.

Mr. EVANS. You know, I suspect, as Jerry indicated, there is a better attitude among employers right now, largely attributed to some of the self-help programs that Vietnam veterans have engaged in through the vet center programs and through the parades

like in Bloomington, and movies like "Platoon", and even things like we'll have this coming summer.

Do you feel that that's true, that the attitude has changed? I guess my question also is, if that attitude has changed, would you agree that that is the exact reason we ought to have a program available, so that there is a program to help the employers match up with the veterans?

Ms. BUECHLER. I would agree with you in part. I think the attitude is changing. I am not sure it has come around all the way yet. Certainly, yes, at least there is starting to be some openness both on the veteran's part and also on the employer's and the country's part in regard to dealing with Vietnam. Now the veteran is asking for help and I think the country can be available to help that veteran through this program.

Mr. EVANS. Thank you, again. We are going to pass that legislation very soon in the House that will continue the program. Hopefully, the suit will prevent any further closures of veteran centers in the interim before that legislation becomes law. So thank you very much for your fine work in Peoria and the Quad Cities. Jerry, thank you also.

Mr. DOWDY. Thank you, Mr. Evans.

Mr. Jontz.

Mr. JONTZ. Just a brief question.

Mr. Kessel, did I understand you correctly, that you have placed 72 veterans through the Veterans' Job Training Act?

Mr. KESSEL. Yes, sir.

Mr. JONTZ. Out of a total of something like 1,400 or 1,500 state-wide?

Mr. KESSEL. Yes, sir.

Mr. JONTZ. That's almost 5 percent of the total state-wide placements you have made through your office?

Mr. KESSEL. Yes, sir.

Mr. JONTZ. Does your office just serve the city of Galesburg, or what is the area you serve?

Mr. KESSEL. We have four counties, sir.

Mr. JONTZ. What is the population of those four counties?

Mr. KESSEL. I don't know exactly what the population is, sir.

Mr. JONTZ. I dare say, it's not anywhere near 5 percent of the total State. It just seems to me that that's an outstanding record. Maybe if we had a similar rate of placements in other areas, we would have many more than 1,400 placed state-wide. Obviously, your example is quite a good one for others to be following.

I appreciate hearing your testimony and hearing about this success.

Mr. KESSEL. Thank you, sir.

Mr. JONTZ. Thank you. That's all I have, Mr. Chairman.

Mr. DOWDY. Thank you, Mr. Jontz.

Mr. Kessel, let me point out for those who are here this morning—I was not here 2 years ago—but during the hearings held here in Galesburg before this same subcommittee 2 years ago, and based primarily on your individual input, the subcommittee proceeded and the national legislation was changed to reduce the requirement that veterans be unemployed—back then, 2 years ago, it was 15 of the previous 20 weeks, as I recall. Based on your suggestion

here in Galesburg 2 years ago, the Federal law was changed down to 10 weeks out of the previous 15-week period.

Mr. KESSEL. Yes, sir.

Mr. DOWDY. Has this been as helpful as you anticipated it would be?

Mr. KESSEL. I think it has; yes, sir.

Mr. DOWDY. All right. We want to thank you for what you did 2 years ago in bringing that to our attention.

One question to Ms. Buechler and Mr. Coghlan. Do you have DVOPs out stationed in your vet centers? If so, have these been helpful in helping you?

Ms. BUECHLER. I have one now. He joined us about 4 months ago full-time. We did not have one for 2 years and we were in desperate need. He does a beautiful job. That would certainly be one of the points that I would encourage in terms of improving the program, if at all possible, if you can do anything to make sure that there's a DVOP full-time in every vet center.

Mr. DOWDY. Mr. Coghlan.

Mr. COGHLAN. We have a full-time DVOP at the Quad Cities center, and have had for almost a year now. We have a 20-hour appointment in our satellite center. He has been tremendously productive and effective and his placement record has also been very high. We are extremely pleased and it's a very vital part of the program.

Mr. DOWDY. Any other questions of these witnesses?

All right. We want to thank all of you very much for your appearing here this morning. Thank you very much.

Our third panel will include these persons—then we're going to take about a 2-minute stretch break—Mr. Keith Senders, who is an employee in the VJTA program; Mr. Michael Godsil, who is an employer; and Ms. Vicki C. Klutts, who likewise is an employer.

While they are coming to the table, we'll take about a 2-minute break.

[Whereupon, the subcommittee was in a short recess.]

Mr. DOWDY. We will resume the hearing.

Our third panel will consist of VTJA employers and employees. Mr. Keith Senders is an employee under the program; Mr. Michael Godsil is an employer. What type of business, for the record, do you have, Mr. Godsil?

Mr. GODSIL. It's a small, family-owned business called J and J Dog Supplies. We are in the business of manufacture and mail order distribution of dog-training equipment.

Mr. DOWDY. All right.

Mr. Senders, for the record, what type of employment do you pursue?

Mr. SENDERS. Well, right now, with J and J Dog Supplies, through the retraining program.

Mr. DOWDY. All right. And Ms. Vicki C. Klutts, who is an employer. What company do you represent?

Ms. KLUTTS. I represent Canton Industrial Corporation.

Mr. DOWDY. And where is it located?

Ms. KLUTTS. In Canton, IL.

Mr. DOWDY. And what type of business is it?

Ms. KLUTTS. We're a manufacturer of steel components.

Mr. DOWDY. Do either of you have a prepared statement to submit for the record? All right. Do any of you care to present the statements at this time? All right. If you would just proceed in the order that I introduced you, first Mr. Senders, then Mr. Godsil, and then Ms. Klutts.

STATEMENTS OF KEITH SENDERS, EMPLOYEE, J AND J DOG SUPPLIES, GALESBURG, IL; MICHAEL J. GODSIL, PRESIDENT, J AND J DOG SUPPLIES, GALESBURG, IL; AND VICKI C. KLUTTS, CANTON INDUSTRIAL CORPORATION, CANTON, IL

STATEMENT OF KEITH SENDERS

Mr. SENDERS. I am employed at J and J Dog Supplies in Galesburg. We are a mail order business, specializing in dog-training equipment. We mail all over the United States and Canada. I have helped with orders going to Hong Kong.

I was introduced to Mr. Godsil by Jerry Kessel, and through the veterans retraining program. I feel that if it were not for this retraining program, I may be still looking for work. The way it is now, I'm a taxpayer instead of a receiver of tax money. I think it is one of the greatest programs for the veteran that we've had. Like I said, I am no longer a burden to the taxpayer, but I am a taxpayer now.

That's about all I have.

Mr. DOWDY. Mr. Senders, for the record, what was your last previous job before your position with Mr. Godsil?

Mr. SENDERS. I was with an industrial laundry, machine repair and maintenance.

Mr. DOWDY. And what was the period of time between that job, when that job ended, and the time when you were able to get a job with Mr. Godsil?

Mr. SENDERS. Three-and-a-half years.

Mr. DOWDY. That's fine.

Do you have anything else you would care to say at this point? We will have questions later to ask you, Mr. Senders.

Mr. SENDERS. I have nothing more right at the moment.

Mr. DOWDY. All right. Thank you very much.

Mr. Godsil.

STATEMENT OF MICHAEL J. GODSIL

Mr. GODSIL. Thank you, Mr. Chairman, and members of the subcommittee. I appreciate the invitation to testify before you today.

My name is Mike Godsil. I am the president of J and J Dog Supplies. It is a small, family-owned business. Our current employment is seven individuals, including management. My firm has been growing substantially over the last few years and a week from now we plan to move into new facilities in the Hawthorne Centre here in Galesburg. That whole complex is providing some economic growth and some new jobs in the area. We are hopeful that, with this growth, we will be able to employ some more veterans through this VJT program, providing Congress chooses to continue funding the program.

My first contact with the program was last August, when I contacted—

Mr. DOWDY. Let me interject there, Mr. Godsil. So that the audience will understand, I don't think the concern will be with the Congress. I think it's whether or not the administration chooses to go along with the will of Congress.

Mr. GODSIL. I understand.

[Applause.]

We all do what we can, right?

My first contact with the program was last August. I contacted Mr. Kessel at the Job Service office here in town. It was really just through word of mouth that I had found out about the VJT program.

One comment. As a small businessman, I think today you seem to be searching for ways that you can make the program more effective. My comment would be that there are a lot of small businessmen out there who are to this very day unaware of the program and the benefits that it does provide. I have spoken with several small businessmen since my experience with Mr. Senders in the program and they have all said, "Wow, this sounds like a great deal. Why didn't I hear about this before?" In my own case, it was simply a matter of word of mouth as the way I found out about the program. So if you're searching for areas to make it more effective, I think maybe some direct mail programs to some of the small businessmen would be an effective way of increasing the interest among employers.

Mr. Kessel was extremely helpful. I was somewhat hesitant about getting involved in the program. Most of us, in the contacts we have with the Federal Government, involve massive red tape, reports, forms to fill out, and endless waits for payment. I was pleasantly surprised by every aspect of this program. Mr. Kessel handled all the red tape. After detailed conversations with me, he drew up the proposed training program. He helped fill out all the application forms. I estimate it took less than an hour of my time to get set up and approved in the program.

Beyond that, I was surprised at the limited amount of paperwork on a monthly basis that we needed to submit as employers in order to get reimbursed 50 percent of the wages. During the entire 9-month training program that Mr. Senders has gone through, I estimate I have a total of 1 hour of my time invested in filling out monthly reports. Now, that's not an hour a month; that is an hour over 9 months. I really have to say that I was very surprised. It is not the sort of thing we're used to from the Federal Government. I don't see any way you can improve that.

It took 2 weeks to get our training program approved. I was very surprised by that. This program allowed us, at an awkward stage in our growth, to hire a full-time employee when we felt we could really only justify a part-time salary financially. Small businesses tend to run into real cash flow crunches when they're growing, and we found ourselves at that stage.

Mr. Kessel has just been so helpful throughout the whole process. We have recently hired a part-time veteran that was looking for long-term, part-time work. Now, this is not related to the VJT program, but it is a direct result of our contact with Mr. Kessel and the VJT.

Also, because of our experience in the program, my brother, Mark Godsil, who runs another small business, hired a Vietnam-era vet under the VTJ program. So this one contact with Mr. Kessel has actually had results far beyond the initial veteran that was hired under this program.

We have also made some use of some part-time temporary help with veterans through Mr. Kessel's office. We will be moving to these new facilities a week from now and he has lined up four unemployed veterans for several days of moving assistance for us. So I think this program gets employers involved with the veterans rep in the employment offices and ultimately can provide a lot more benefits than just the individual veteran that's hired.

Lastly, the Federal and State governments, as we all know, spend billions of dollars each year on welfare programs that are really designed just to keep people from falling through the safety net, just to ensure continued survival. Oftentimes this results in nothing more than a cycle of continued dependency.

I think the VJT program is a major exception to that. The VJT program invested somewhere in the neighborhood of $4,000 with my company to train Mr. Senders. He now has a job that we both anticipate is going to be lifetime employment, and he will return that $4,000 in tax revenues in less than 2 years. I see that as being a major reason why this program should be continued.

Thank you.

[The prepared statement of Michael J. Godsil appears at p. 108.]

Mr. DOWDY. Thank you very much.

Ms. Klutts, we would like to hear from you.

STATEMENT OF VICKI C. KLUTTS

Ms. KLUTTS. Thank you.

Chairman Dowdy and honorable Members of Congress, we want to thank you for the opportunity you have given to us to speak with you today. America, for years, has been known as the industrial giant, with the history of strong leadership when it came to manufacturing and and service industries. With a reputation as an industrial giant, ideally, all Americans would have jobs. However, we all know at this juncture that that is unrealistic. Our firm, Canton Industrial Corporation, is committed to and feels that it is necessary to reward those who have defended America to keep our freedom and allow us to operate our companies in a free society.

Program created as part of the Veterans' Job Training Act are beneficial to small start-up companies such as Canton Industrial Corporation. These programs enable firms to bring veterans into the work force, train them with new skills, and conserve cash flow during the critical learning curve process when productivity has yet to reach peak levels.

It is unfortunate, though, that the wisdom Congress used to create these programs did not follow through in all aspects. We understand that in qualifying a veteran for the program, the wait for confirmation from the Veterans' Administration averages sometimes several weeks. This confirmation of eligibility still does not commit funds always for that particular individual. Obviously, Congress has not funded these programs to sufficient levels. The com-

pany intending to hire the vet must then send notice to the Veterans' Administration of intent to hire a vet, which takes sometimes an additional 2 to 3 weeks. Here we are, possibly 1 to 2 months, without knowing if this program is of benefit to the company and employee.

It is extremely idealistic for any administration to think that a small company interviews and lines up employees 1 to 2 months prior to hiring. Executive management at Canton Industrial Corporation is committed to hiring veterans, whether they are qualified for this program or not. It is unfortunate to veterans, however, that many firms would rather hire individuals who qualified for other programs where the response time is quicker and benefits funnel through at a faster pace and can be approved on a local level.

If Congress is committed to establishing programs to benefit veterans, I would wholeheartedly support and encourage you to fund these programs sufficiently, for not everyone feels as strongly about those who have defended our Nation. And it is the veterans who are at a disadvantage at those times.

Thank you.

[The prepared statement of Elizabeth A. Foley, presented by Vicki C. Klutts, appears at p. 111.]

Mr. DOWDY. Thank you.

Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

First of all, Mr. Senders, thank you for coming forward and testifying. I want to thank you and your employer, as well as Vicki, for coming here on Monday and taking time away from your jobs and your business. We appreciate that.

I think this has been an excellent panel that demonstrates the success of the program. We want to emphasize, as much as those of us that are in the Vietnam-era, that this is also a program that helps our Korean veterans. In many ways, they are facing not only the problems of unemployment but sometimes age discrimination. So we appreciate your participating in the program and your willingness to hire a Korean veterans I think is outstanding on your part.

Mr. Godsil, we would like to know maybe what you've been doing to get a tenfold increase in sales, but that is not really part of our jurisdiction here. You know, we heard a little testimony earlier about how this program maybe should, because of its orientation, be passed to smaller employers, that it may not have been so helpufl. Obviously, your case, or in your brother's case, it has been very helpful.

Have you participated in the monthly payment program for our smaller employers, or have you been on a quarterly basis?

Mr. GODSIL. No, we were on the monthly program. That was another nice aspect of it, that we found the reimbursement checks arrived anywhere from 2 to 3 weeks after the report was submitted. I had expected it might be one of these 60 to 90 days, the "check's in the mail" situations.

Mr. EVANS. If it ever is, my local office wants to know.

Ms. Klutts' firm is a very small family firm, and CIC is also a small developing corporation, a publicly owned corporation. What

might we do specifically to make this program better for the small employers? You recommended direct mail. Actually, you're kind of spreading the word about the program, which is probably the best kind of thing that we can have. But what other steps might we take? Are there certain things in the bureaucracy, as Ms. Klutts indicated? You seem to be pretty happy with how it has moved, but are there other things we might do to make it more effective?

Mr. GODSIL. Well, in my case we were very fortunate in that Mr. Senders already was in receipt of his certificate of eligibility. That seems to be the longest lead time phase of the program. Also, I foresaw the need for another individual several weeks in advance of the actual date that we would need an employee; therefore, we had the 2-week lead time that it took for approval of our proposed job training program.

I understand the tendency to think that maybe the big employers are the way to go, that wow, here's a chance where we can place 40 vets at once. The other side of that is, I think, if you look particularly at this area, at the history of large employers, from the time I was old enough to remember, they all seemed to go through cycles of additional employment and then layoffs, employment and layoffs, sometimes on a yearly basis, sometimes on a 2, 3, or 4 year cycle. In contrast to that, I look at many of the small businesses that I saw growing up, and they are still here today. They tend to have relatively stable numbers of employees. I think when they hire a new person they tend to look at that as being a long-term job.

I think maybe we need to look a little more at reaching the small businesses with this program, educating the small businessman merely to the existence of the program. You give a small businessman an opportunity to hire a full-time employee at a half-time salary out of the employer's pocket for 9 months, to a major corporation that is not a major financial incentive. To a small business, a $4,000 savings in a 9-month period can be substantial.

Mr. EVANS. It is exactly the small and medium-sized firms which we understand are going to account for 75 to 80 percent of the jobs, so we want to make this a very effective program. I am glad you've had that experience with the monthly payments. That is the one thing we wanted to emphasize, that this is not a real bureaucratic problem. There may be some problems, as Ms. Klutts indicated, that we want to work through. But we hope it is benefiting the smaller businesses because that's where we think the jobs are going to be.

Ms. Klutts, again, thank you. Could you maybe elaborate how, in a developing situation, a business such as yours, which has really been to a great extent the salvation of Canton, how we might improve the program as far as a business that is looking to expand and may have some difficulties in projecting the future sales and future contracts and so forth, what we might do to make the program better.

Ms. KLUTTS. I would like to clarify. We have not been able to use the program as of yet. We did get approval for several job descriptions within the program, but were told there was no money available at this point in time. So we are still holding on utilizing the program. We are very excited about it, though, because even

though we are a larger organization than the person sitting next to me here, the use of the funds that comes back to us is very important to our size of company also, especially in the growth stage.

We do see the need to possibly have local approval for some programs to make the process a step quicker in approval. It would be very important to have the funds available at a quicker pace, because when we do hiring, we quite often want to hire the next day when we find the need to fill a position. So those kinds of things would be very helpful to us.

Mr. EVANS. Your present employment in Canton is how many people?

Ms. KLUTTS. We have approximately 180 employees.

Mr. EVANS. And you hope to be expanding in the near future?

Ms. KLUTTS. We're expanding very rapidly right now. In August of last year we had 40 employees and we anticipate we may be at 350 by the end of this year.

Mr. EVANS. My office would be glad to work directly with you to see if we couldn't smooth out some of these problems and maybe deal with some of the problems in legislation as well, or in the implementation of the legislation. So thank you very much. We appreciate it.

Ms. KLUTTS. Thank you.

Mr. DOWDY. Mr. Jontz?

Mr. JONTZ. I have no questions, Mr. Chairman. I would just like to thank the witnesses. At this afternoon's hearing in Indiana, we are also going to hear from some veterans and employers who have had personal experience. It has been helpful to us to have this testimony.

Mr. DOWDY. For the record, Ms. Klutts, we looked it up, and the Veterans' Affairs Committee for the fiscal years 1984 to 1987 has authorized—and then it's gone forward in the House and so forth—has authorized a total of $395 million for VJTA programs. What has actually been provided and spent has been $185 million. So in this program, which I agree with the witnesses before us, this is a good people program, but all people in Washington don't agree with your testimony and with the way the three of us on the panel today hear your testimony. There are those in Washington who don't agree.

In some programs we can't authorize it fast enough. In foreign aid, we'll authorize it in 1 week and they'll be back wanting more the next week. But in this program, which is a very important program—I have been very impressed with Mr. Senders. He seems like a very capable person, and I am sure he will continue to make a great contribution to your company. But I wanted for the record to state that our committee has authorized a total of $895 million for this program for fiscal years 1984 through 1987, and what has actually been spent has been $185 million.

Mr. EVANS. If the chairman would yield, I guess this has got to be one of the biggest turnoffs for any potential employer, to go through the entire process and then be told that additional funding for your specific employment may not be available. We had continued battles with the administration on this particular program when it first came out. Believe it or not, forms for the employers were not available at the Central VA Office right in Washington,

D.C., right across the street basically from Lafayette Park and the White House. Then, when the forms did become available, there was what we call the "black box", a group of paragraphs on the form which were warning basically that funds for this program may not be available.

Obviously, when we've got the problems of employers looking at Vietnam veterans or Korean veterans in the first place, and then maybe not even knowing about the program, but then becoming aware of the program, even though we've gotten rid of the "black box", to be told by the administration that there isn't funding likely to be available, and then for us not to be spending the money that Congress has authorized and appropriated, it is very diffucult for us that support the program, for people who want to participate in it, to feel it's being administered in good faith. We don't feel that way. And it's a battle we have been fighting. We want to work through some of these problems and I would suspect you could hire a lot more people if you had the availability of this kind of program funding, that you might be able to hire a few more veterans or nonveterans, for that matter, because your funds would be stretched out you might say.

So we're trying to work through these problems. Your testimony, from both employers and Mr. Senders, has been most helpful in establishing just what this program could be if only given a fair chance.

Mr. DOWDY. What I am saying to you, and what Mr. Evans is saying, is we heard your testimony. In our subcommittee we have attempted to address the issue. The bill that we passed 2 weeks ago, up until now it's been a 2-year program which posed some problems. As we propose extending the program, it will become a 3-year program which will make it more predictable hopefully for employers such as your company. So we hear the remarks that you have made.

We want to thank all of you very much for your testimony here this morning.

Mr. GODSIL. Thank you.

Mr. DOWDY. Mr. Senders, package a lot of stuff and send a bunch of it to Hong Kong, Japan, Taiwan. [Laughter.]

Mr. DOWDY. Our next panel consists of Mr. Eddie Sperry, with AMVETS. He is also the president of Congressman Evans' Veterans' Advisory Council, and Mr. Larry Tschappat, who is with the Vietnam Veterans of America. We want to welcome both Mr. Sperry and Mr. Tschappat.

Do either of you have prepared remarks? All right. If you would proceed in the order in which I introduced you.

STATEMENTS OF EDDIE JOE SPERRY, PRESIDENT, VETERANS ADVISORY COUNCIL OF THE 17TH CONGRESSIONAL DISTRICT OF ILLINOIS; AND LARRY TSCHAPPAT, PRESIDENT, QUAD CITIES CHAPTER 229, VIETNAM VETERANS OF AMERICA

STATEMENT OF EDDIE JOE SPERRY

Mr. SPERRY. First of all, as the chairman of the subcommittee, I would like to welcome you and your group to our area again. We are very glad to have you here. This may be putting the cart before

the horse, but we don't care. We're glad that you're here and we're glad to take part in the program today.

Mr. Chairman, the Veterans' Advisory Council of the 17th Congressional District of Illinois appreciates this opportunity to appear today to express its views of the Veterans' Job Training Act.

The Veterans' Advisory Council unequivocally supports the continuation of the VJTA and is very disappointed that the Veterans' Administration, with really no prior notification, allowed it to just expire. The veteran community, quite naturally, felt confused and somewhat betrayed that, without prior notification of any kind, the VA notified the office of Assistant Secretary for Veterans Employment and Training that the VJTA was finished. We, of course, realized that the program was unpopular at OMB and within certain circles of the VA as needless and unnecessary in light of decreasing official BLS statistics on veterans unemployment rates and ever-mounting Federal deficits.

But for the moment, Mr. Chairman, let us center on the program itself. We have found it an extremely popular veterans employment and training program that actually places eligible vetrans in jobs. It is, or was, the only veteran employment and training program administered by either the VA or the Office of Assistant Secretary for Veterans Employment and Training that placed veterans directly in jobs in wholesale numbers. The program's popularity and ease of administration combined to place thousands of veterans on career paths.

The Veterans' Advisory Council certainly believes in giving credit where it is due. And we compliment the VA, its Division of Veterans' Benefits and the Office of Assistant Secretary for Employment and Training for jointly administering the VJTA. Their cooperation and ability to achieve a common goal speaks highly of the leadership and their respective departments and agencies. Not only was the program well administered, it had minimal bureaucratic hassles attached. A potential employer could get an eligible veteran hired in little time.

AMVETS, the service organization to which I belong, knows the truth to that statement as it has hired eight national service officers under the VJTP and would hire more should the program continue. Certainly AMVETS does indeed put is money where its mouth is and challenges other veteran service organizations to follow its example. We hasten to add that all eight are still national service officers with excellent records of employment, all being Vietnam-era, four with service-connected injuries, and two female veterans.

Since its inception as the Emergency Jobs Training Act, and later the Veterans' Job Training Act, it has placed over 50,000 eligible veterans in jobs and over 70,000 employers have been approved. We would be the first, however, to caution that the program is not perfect. There are problems such as high turnover of jobs, noncareer opportunities, low percentage of disabled veterans involved, and too great an emphasis on veterans who are job ready to make the numbers look good. Also, that the hard core unemployed and the disabled were at great disadvantage, and that of over 160,000 job slots approved, not half were filled.

We must also strive to eliminate the start/stop aspect of the program. We need program continuity, a definite future. We cannot have the VA, the Department of Labor, the State Employment Security Agencies, and especially employers and veterans alike gear up only to be told no funds, no program. Their reaction will be quite predictable, and we really could not blame them.

Mr. Chairman, notwithstanding those problems, the VJTP remains a worthwhile program that should be continued at least 2 or 3 more years. We are not out of the woods on veterans employment regardless of official statistics. Employment is still a significant issue for the veteran community, but certainly one that does not capture the imagination and initiative of many.

We mentioned earlier about where the VJTP fits in in the overall veterans employment and training scheme and how important it was. Indeed, it may have been the cornerstone because as we critically review employment and training programs for veterans, those that actually train and place veterans, the VJTA is, or was, the only one. There are no programs like the VJTP under title IV(c) of the Job Training Act, no veteran programs under titles II and III, the Voc Rehab and Education programs of the VA are limited to statutory eligibility. In short, the VJTP was the only veteran program which gave unemployed veterans any measure of hope. We cannot, and we must not, remove that hope if there is one veteran we can help.

Mr. Chairman, the Veterans' Advisory Council thanks you for the opportunity to express its views.

[The prepared statement of Eddie Joe Sperry appears at p. 113.]

Mr. DOWDY. Thank you very much, Mr. Sperry, for your sharing that testimony with us.

Our final witness this morning is Mr. Larry Tschappat, who represents the Vietnam Veterans of America. Mr. Tschappat.

STATEMENT OF LARRY TSCHAPPAT

Mr. TSCHAPPAT. Good morning, Chairman Dowdy, Congressman Evans, and Congressman Jontz. My name is Larry Tschappat. I am the manager of E&J Used Auto and Truck Parts in Rock Island, IL. I am also president of the Quad Cities Chapter 299 of the Vietnam Veterans of America. I appreciate being given the chance to speak to this committee and would like to thank you gentlemen for extending this privilege to me. I would like to ask that my written testimony be read into the record at this time. Thank you.

I will try to just summarize my points, if I can, for the sake of time.

In December of 1986, I helped form a Vietnam Veterans of American chapter in the Quad Cities area. One of the things that we kept running into, as we talked with the fellows who were coming in to look into this, was unemployment, the high unemployment, the fact that there was no proper retraining being offered and the frustration of the paperwork that these men faced when they would try to get aid through the State agencies. The same thing kept coming up over and over.

Frankly, during this time I just kind of set in my mind that I wanted to hire a veteran. The next time we had an opening in my

business, I wanted to be able to take one in and hopefully give the man the job.

During January of 1987, Jeff Nelson, the veterans employment representative at Job Service in Illinois, contacted me about the VJTA program. Of course, as an employer, I am always glad to find a way to save a little money, and by having this offered and having the wages paid, it certainly was very attractive to me.

At about the same time I had a job open up at the company. One of my fellow members at that time was a gentleman named Doug Tice, who was already certified under the VJTA program. The problem was, I wasn't. So I proceeded, with Mr. Nelson's help, to get my program approved. The problem was that it took quite a bit of time from my point of view as an employer. My paperwork had to go to Chicago, and at that point it was certainly true, but then it was routed to Houston where it took more time, obviously. They informed me that I certainly could employ a man; however, there was no funds available. So now I was faced with the frustration of having a job, having a man to hire into the job who was a veteran—

Mr. DOWDY. To make sure that I understand, were you at that point declared to be an eligible employer?

Mr. TSCHAPPAT. Yes, sir. I had received notification—I'm probably rushing my times right here—but I had received notification from Chicago that I had been approved and that my application had been forwarded to Houston. Houston, in turn, contacted me through letters, telling me that I did have certainly approval of the program, but there were just no funds available.

Like I say, now I am faced with the situation where I had a man who wanted the job under the program, I am an employer who needs a man to fill the job slot, and no money. I found it very frustrating.

The fact that funds did become available later, approximately a week later, certainly pleased me and I was able to hire Mr. Tice. However, like I say, I wish there was a happy ending to the story, that Mr. Tice is still with me, but he's not. He chose to leave my employment after only a month under the program. Basically the reason was he was not satisfied with the job, he didn't feel the potential was there for what he wanted, and that it was just not where he wanted to be as far as his employment. I can sympathize with that. Certainly a man should know what he wants and if he recognizes it's not what he wants, he should leave. The fact that he notified me so earlier, I appreciated that as an employer.

Frankly, my opinion of VJTA is that it works good. But it could work better. I think Ms. Klutts in the previous testimony pointed out the same things that I have experienced. I have heard suggestions from you gentlemen on the same thing I'm probably going to say right now, which is that I happen to feel the Job Training Partnership Act, JTPA, is maybe a little more efficient. The approval is done at the local level, it's done right away, and for an employer, that's a boon. It allows me to know immediately that I can get this man and get started and get him into the job right away and I'll have these benefits.

I really feel that a second thing should be that proper screening should be stressed. Find out what the veteran wants, what are his

goals in life, what does he want to be doing with his life, and then let's try to place the man where it does him the most good. The fact that Mr. Tice didn't receive any screening I think probably led to the fact that he left us so early.

In conclusion, I would just like to thank you very much again for extending this privilege. If there are any questions, I would be glad to answer them at this time.

[The prepared statement of Larry Tschappat appears at p. 117.]

Mr. DOWDY. Thank you, Mr. Tschappat. We want to thank both of you for your testimony.

Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

Larry, I guess you're indicating the need for the amendment that Joe Kennedy offered in terms of the counseling, that perhaps before someone embarks on a job, or before the employer hires that person, he might need some counseling as to whether that job is appropriate or suitable to them and offers the opportunities that they're either suited for or that they desire.

One important component of that I think has been our vet center program. I know the VVA generally has been very strongly supportive of that. Have you had a chance to work with our vet centers, since this is a new chapter, and what would be your opinion of the effectiveness of these kinds of employment programs without the vet centers, given that the administration is seeking to close some 104 of these vet centers across the country?

Mr. TSCHAPPAT. Well, I would say, speaking as—I guess I wear two hats here, as an employer and as a VVA member—I think it would be a big mistake to close any of these counseling centers. I feel they are very much a positive influence on the veteran and the community as a whole.

Certainly, when I was pursuing someone for filling the job with my company, I probably didn't utilize the—I came through the Illinois Job Placement Service and, as I say, with the help of Jeff Nelson. My awareness of the program was word of mouth. Again, as with the previous testimony of the gentleman with the small family business, my business is small, too, and it's also family. We employ about 26 individuals, give or take, on a weekly basis. Our business isn't the neatest, in a sense. We're in the salvage business as well as parts.

The point is, though, that we really need a program like this, and we need to be made aware of it as an employer. I don't know what the answer is exactly, except as a businessman, I certainly don't want more paperwork. I kind of feel that's being advocated here, that let's send them plenty of paperwork in advance. But you've got to do more than that; you've got to show them while it's worth their while. I don't know whether that requires another businessman who has participated in the program going there, as opposed to a vet rep, but you need that kind of impression made on a possible employer.

Mr. EVANS. Would you be willing to try to use this program again in the future?

Mr. TSCHAPPAT. Oh, of course. Now that I've got approval, especially, because I won't have the delay like I did before.

Mr. EVANS. Eddie Joe, thank you for your leadership of the Veterans' Advisory Council. I want to thank you and Larry for participating in that on a continuing basis.

I might ask a similar question. When I first got out of the Marine Corp, the very first place I went to was our State Veterans' Affairs Office. Now we have the addition of the vet center programs that many Vietnam-era veterans go to, I realize. I guess there is the scheduled termination of 11 State field offices.

What impact, if any, might that have on our veterans trying to utilize programs such as this one or to obtain benefits and other services from the Veterans' Administration?

Mr. SPERRY. The Veterans' Affairs Office that I am more closely related with is Rock Island County. I know that the service officer there and his associate have more work than they can handle and they need help. What's happening is the Governor, with his big tax raise that he wants, has found that maybe by closing these offices it will help.

There are a lot of people in the State of Illinois, not in our area, that seem to think the only part of the State of Illinois that amounts to anything is Chicago. Well, one of these days Chicago is going to find there is more to the State of Illinois than Chicago. Right now they're talking about closing, like you say, 11 of these offices. We only have 45. There's 102 counties in the State of Illinois. They're going to cut it down to 26. What they're really planning on doing is cutting it down to only 19 offices to service 102 counties. I know the other officers are doing the work they need in their communities.

When we're discharged, we're immediately told that one of the first things you want to do is file your discharge in the county courthouse. Well, half the time you're not even sure where you're supposed to go so you go to your veterans service officer and ask what do I do and he'll take care of it for you, or he'll at least tell you how.

Well, what they are doing now is taking that help away from the local area and it's going to hurt. It's going to hurt tremendously. It sounds to me like Governor Thompson is going to pay for his rose garden that he's getting down in Springfield with veterans' money, since they wouldn't let him take it out of State road funds.

Mr. EVANS. I thnk you're absolutely right, in terms of what assistance they have rendered. When I got out of the Marine Corps, not only did they tell me to file my DD–214 form with the county recorder of deeds, but they also told me—I was only 19 at the time—to go and register with the draft board. I didn't realize a veteran had to register. If I hadn't done that, I probably wouldn't have been in compliance with the laws. We do have kind of a large bureaucracy out there of services and agencies that provide services to our veterans, and if there isn't someone who can point the path out to some of our veterans, I think a lot of veterans will go without services.

Mr. SPERRY. If I'm not mistaken, you were immediately advised of what you were entitled to under the GI bill, and that's probably why you went to law school.

Mr. EVANS. That's right.

I might say, as it turns out, the Marine Corps misinformed me about when I could receive unemployment compensation as well. That veterans' affairs officer pointed out that the Marine Corps, in its infinite wisdom, was wrong again. You know, we used to say there are two ways of doing anything—the right way and the Marine Corps way. It was pretty obvious by the advice that I got from my Marine Corps separation counselor.

Mr. SPERRY. I was kind of surprised that—well, I would assume that I was asked to testify being the president of the council. But my situation is completely different than anybody that's been up here. When I was in high school I was employed. When I went out of high school, I immediately went to full-time employment. I left that full-time employment and went in the service. I was in the service for 3 years. When I got out of the service, I went into a club we had that was called the 52–20 Club. Now, none of you people would be acquainted with it, but some of those old rascals in the back are. We were allowed 52 weeks of unemployment at $20 a week, until we were employed or until the 52 weeks ran out. Since I got out of the service in July, and I knew I was going to school in September, I applied for it and drew it for 4 weeks. That is the only time in my life that I've been on unemployment or have been unemployed. So the situation I am coming at you with is a little different than these other fellows.

Mr. EVANS. I might point out that this is a very difficult situation for so many hard-working Americans to face. Mr. Senders was a good, solid employee until he lost work through no fault of his own. It is a very difficult thing for people who have worked hard. I don't consider any veteran on unemployment or in any of our other programs to be a burden on the taxpayer. After all, those veterans have paid taxes when they were working and they would be working if they would only get the chances, as we have given Mr. Senders a chance. So we salute all the people there that are facing these difficult problems. They have been hard-working Americans and I think we need a Government that stands up for the people who have fought and defended this country in time of war and have contributed to our tax system and built our communities and built our country into the most stable kind of society that we have.

We have been devastated by this unemployment and these are our fellow citizens or neighbors, our fellow veterans, and I think they deserve our support. I hope in using these programs they don't consider themselves burdens on the tax rolls or on the taxpayers, that they're only getting some benefit out of the programs that they've paid into for so long. Thank you very much for mentioning that. We appreciate it very much.

Mr. SPERRY. What all of our organizations are vitally interested in is not trying to get something for nothing. We are trying to keep what we've already been allowed to have. Thank you.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. Thank you, Mr. Chairman.

I have no questions. I want to take my time to thank Mr. Sperry and Mr. Tschappat and the other veterans who have been here today representing the veterans' groups. As I look around the room, I am very impressed with the outstanding participation here.

It speaks very well for your community in terms of support for the veterans. Again, it is an honor for me to be here.

Your Congressman, as you well know, is held in the highest regard in Washington for the very active role that he place in speaking on your behalf. He has said very well my opinion as to what the responsibility of the Government should be in this important area. I think this testimony will be very favorably received in Washington and I appreciate everybody's participation here today.

Mr. DOWDY. Mr. Tschappat, in closing, again for the record—and it's in our best interest that we hear from all viewpoints—your personal experience with the Veterans Job Training Act will not in any way discourage you from participating in it in the future, as I would summarize what you have told us this morning?

Mr. TSCHAPPAT. That's correct, sir. I would be more than glad to take on another man under this program.

Mr. DOWDY. Most of the problems that I think you have experienced, based on what I have heard, were related to that individual's personal situation; is that a fair characterization of the situation?

Mr. TSCHAPPAT. I would say more a business situation. We were not approved; therefore, when the job came open, and although I had a man who had his certification of eligibility under the VJTA, I couldn't hire him until I got my approval. That involved going through the local, the regional, and to national.

Mr. DOWDY. That is a problem that we are aware of and we will continue to try to work on to see that it is expedited. But when you were eventually approved, did you not hire the same gentleman that you would have hired at an earlier time had you been approved earlier?

Mr. TSCHAPPAT. That's correct, but I had to wait.

Mr. DOWDY. But after the wait, and when you hired this gentleman, I think I'm correct in stating that the problems you experienced with the program, after you hired him, were not what could be said to be the program itself but, rather, with the relationship with the individual who was hired?

Mr. TSCHAPPAT. That's true, sir. I just felt that probably he was overqualified to be doing the job that we hired him for. That is one of the reasons he moved on, because he felt this would not improve his job situation.

Mr. DOWDY. Did he have another job available to him at the time he left you?

Mr. TSCHAPPAT. Well, I spoke to the individual last night, and since that was in March of this year that he left my employ, he has not had work since then. As I understand, he is leaving the area to try to find work elsewhere. He is actually taking some courses this summer and then moving from the area.

Frankly, he asked me to pass on to you—and I don't know if it's appropriate—that he just didn't get any response back from the Iowa side of this program, any follow up or any more calls, any more notices, anything about coming in to see about possible employment again under the program.

Mr. DOWDY. All right.

Mr. TSCHAPPAT. So he's a little discouraged with it.

Mr. DOWDY. Then the other problem that you pointed out is basically the same problem that the previous witness, Ms. Klutts, reffered to—that there has not been continuity of funding and employers have not been able to be assured that when they go through the paperwork and get approved and get employees on board, that there will be money available.

Mr. TSCHAPPAT. That is correct, sir. I was rather surprised when they said yes, you can do it, but there's just no money to do it with.

Mr. DOWDY. Again, for those who are present, and for the record, I want to state that on our subcommittee, the Education and Training Subcommittee, and on the full Committee chaired by Sonny Montgomery, and those of us in Congress, we see this as a valuable program. If that decision were ours alone, the $390 million which we have earmarked over the last 4 years would have been spent so that this would have been a steady program. With that level of funding, dealing with 50 States, we can't serve everybody that we wish we could serve, but the problem has been that to which you have alluded, that the funding has not been available even though Congress has moved forward and said that it will be there.

The persons who work for the President of the United States, within the executive branch, David Stockman and his successors, have seen fit to spend about one-half of that amount. That is discouraging to those of us in the Congress who would have it differently. I wish we could tell you differently.

I have already noted they like to spend money in Afghanistan and all other parts of the world, and they come back immediately for more money there, and we can't ever give them enough. I think what we will do is call this some part of "foreign aid"—

[Applause.]

Then maybe we'll be treated a little differently.

We want to thank you for bringing what you see are some inconsistencies and problems with the program.

Mr. TSCHAPPAT. If I could, sir, I would say it's a very positive program and I definitely support it. I just evidently found a couple of weaker parts of it. But as a whole, I feel it's very much a boon for the veteran.

Mr. DOWDY. We want to thank both of you for your testimony.

We want to thank off of the witnesses for their testimony this morning. We will stand adjourned.

[Whereupon, at 11:20 a.m., the subcommittee was adjourned.]

VETERANS' JOB TRAINING PROGRAM

Monday, June 15, 1987

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 3:30 p.m., at the St. John Township Community Center, 1515 West Lincoln Highway, Schererville, IN, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Dowdy, Evans, Jontz and Davis.

OPENING STATEMENT OF CHAIRMAN DOWDY

Mr. DOWDY. As Chairman of the Veterans' Affairs Committee's Subcommittee on Education, Training and Employment of the United States House of Representatives, we will call the field hearing to order. We want to welcome you and thank you for your hospitality and for having the members of the subcommittee here for purposes of conducting a field hearing regarding the effectiveness of the Veterans' Job Training Act. Earlier today we were in Galesburg, IL, where we heard a number of witnesses.

To those of you who are active in veterans' organizations, I am Wayne Dowdy from Mississippi. I bring you greetings from the chairman of the full Committee, Sonny Montgomery, who told me to be sure to give his regards to his friends here in Indiana.

I want to introduce a close friend in whose district we are holding the hearing. Jim Jontz is in his first term as a member of the House Veterans' Affairs Committee.

This subcommittee took up and passed the permanent GI bill several weeks back. It was there passed by the full House of Representatives and the Senate. It was signed into law at a ceremony in the White House the week before last.

As we prepared for the crafting of the Montgomery GI bill, making it permanent, Congressman Jim Jontz was very, very important in putting together the necessary legislation. We conducted a number of field visits and went to Fort Knox, Kentucky, Lackland Air Force Base in Texas, Parris Island in South Carolina, and Orlando, Florida to evaluate this new program. Jim Jontz, as a member of the Veterans' Affairs Committee, was very active in that legislation and also has been active in the VJTA legislation before this subcommittee.

Jim, we welcome you.

OPENING STATEMENT OF HON. JIM JONTZ

Mr. JONTZ. Thank you very much, Mr. Chairman. I would like to take this opportunity to welcome everyone here this afternoon for this field hearing of our subcommittee of the House Veterans' Affairs Committee.

I am very pleased, Mr. Chairman, that you agreed to hold this hearing in Indiana today, to listen at the grassroots level to witnesses from northwest Indiana and from the adjacent area of Illinois, about the employment situation that veterans are facing in our part of the Midwest. The conditions that we have here are similar to what we found in Galesburg, IL this morning, and what would be true of a number of communities throughout our part of the country. Through a combination of factors that are all too familiar to us in northwest Indiana, we have economic problems that truly need attention.

One of the most important ways that we can address these problems is through the education and training of our work force. The Veterans' Job Training Act is a very important tool that can be used in helping unemployed veterans get a good job. Last week, the Veterans' Affairs Committee in the House unanimously passed H.R. 1504, which will extend and authorize this program by providing new money over the next 3 fiscal years. Under this legislation, which is the subject of our hearing today, employers who train and hire Korean and Vietnam veterans can be reimbursed for the veteran's starting wages up to 50 percent. This has, and can in the future, make the critical difference in whether or not a veteran will be hired. The employees and employers which have come here today to testify about this program will tell us where this program has worked and where it needs to be improved upon and what the Congress should be doing to address ourselves to the problem.

I am also very happy today to have with us representatives from various service organizations who will be presenting a statement. They will be able to give us information on this program from a different perspective. It would be hard to quantify all the important work that these organizations have done in making sure that the VJTA is working the way it should be, but suffice it to say that their work is very valuable and it's a pleasure for me to invite them here today to participate in this hearing.

We also have some State and Federal officials from Indiana and Illinois here to discuss the program, and I am especially grateful that two of my colleagues on the committee, Congressman Davis from the adjourning district in Illinois, and Congressman Lane Evans from the western part of the State, are able to be here. Congressman Davis and his office was very helpful in securing witnesses for our hearing from Illinois.

There is still a great deal that the Federal Government needs to be doing in the area of meeting our obligations to veterans concerning employment. At the end of 1986, there were still more than 350,000 veterans across the United States who were unemployed. The disruption in the lives of those who went to Vietnam and Korea can still be seen when we look at the unemployed veteran. We must do more to meet our obligations to the veterans of our

Nation, and we are here today to continue our efforts in that regard.

Again, Mr. Chairman, my personal thanks to you. This is the first congressional hearing that I have been fortunate enough to participate in here in the Fifth Congressional District. It is a real honor to have you here in northwestern Indiana. I want to also thank Jerry Shoup, our St. John Township trustee here, for the use of this very fine facility. I want everybody here who is a guest to be welcome here in northwest Indiana.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Jontz.

Another member of our panel today is our colleague, Congressman Jack Davis from the Fourth Congressional District of Illinois. Jack told me that we are about a mile from his district. Jack, like Jim Jontz, has been very active in matters that have come before the full VA Committee. He is a very articulate, competent and capable spokesman representing the people of Illinois and in this general area on the Veterans' Affairs Committee.

Congressman Jack Davis.

OPENING STATEMENT OF HON. JACK DAVIS

Mr. DAVIS. Thank you very much, Mr. Chairman, and my deepest and grateful thanks to both Jim Jontz, the Congressman from this district, for setting up this opportunity for us, and to Lane Evans who came along, to you, Mr. Chairman, and to our general Chairman, Sonny Montgomery, who is "Mr. Veteran" of all time for those of you who know him—and I know there's a few national committeemen out here from the various and respective organizations.

I am particularly grateful to the folks from Illinois who came to testify today from my district, all the way from Aurora, these fine gentlemen over here representing the VFW.

I am a member of the House Armed Services Committee, which I lobby for outrageously in Washington, and then, when luck would have it—and I do mean luck—when I got appointed to Veterans' Affairs, too, I figured I had died and gone to Heaven.

I am a veteran. To take care of veterans and to take care of their affairs, there is no higher calling in America or in the United States Congress or in the Illinois legislature, where I served for five terms, as one of the voices of the veterans. You who all paid so much with your blood and your sweat and away from home, and the family problems that go with service to the country, I understand all that, and these gentlemen understand all that. We owe you a great debt, we owe all veterans a great debt, and we intend to continue to pay it.

But I get them coming on House Armed Services and I get them going on Veterans' Affairs, so I get a crack at everybody. I am just very pleased that the GI bill, for instance, was passed for the active recruiting tool that it is and for the debt that we owe those who are in the service now and ready to come out.

I am very, very grateful that the Vietnam veterans are now getting extremely active in the post in their own organization, the Legion, the VFW, and coming on to take over for those who are

getting older or laying down the torch. I think if we all stick together, if we all keep our wits about us, if we all learn more and more about the problems of veterans as we go through the next few years and the next few decades then we can all help each other over the rough spots.

Certainly, Congressman Jontz, because you have set up this hearing on this important subject, hopefully we will get some new insights. When we take that bill that was passed out of committee to the floor, I think next week, Mr. Chairman, we will have the opportunity to amend it, in case we've forgotten something that you will tell us about. That's what we're here for today.

Thank you again, Mr. Chairman, very much.

Mr. DOWDY. We also have with us today the chairman of the Subcommittee on Oversight and Investigations of the Veterans' Affairs Committee, my colleague and friend, Lane Evans. Lane is a Vietnam veteran and has been very active in all matters involving the Veterans' Affairs Committee. We were in his district earlier today.

Congressman Evans

OPENING STATEMENT OF HON. LANE EVANS

Mr. EVANS. Thank you, Mr. Chairman. I want to thank you for taking the time out of your schedule to come to both Illinois and Indiana. You were earlier in my district, as Congressman Davis just indicated. We worked very hard on the subcommittee this yearing passing not only the program for reauthorization and the Veterans' Job Training Program, but also the GI bill which came through the subcommittee. So you are to be saluted, as is your staff.

I also want to join in the compliments to Congressman Jontz and Congressman Davis for the excellent leadership they have shown on behalf of veterans of all eras and all wars. This hearing is a fine example of the commitment and initiative shown by both of them. The active leadership of both of them on matters of concern to our Nation's veterans should receive special recognition.

I am pleased that Congressman Jontz also joins me on the House Agriculture Committee. We may be back maybe for an agricultural hearing sooner or later out here. But I don't know that we've ever had a hearing so quick on a new Member's behalf, so that shows what kind of clout and influence you have on our subcommittee and full committee already. We count on you as an advocate for veterans of all eras and we're pleased to be on your home turf this afternoon.

I also want to recognize Congressman Jack Davis. He is, of course, a fellow Illinoisan, which is about the highest compliment that anyone could receive.

[Laughter.]

He is keenly aware of the interests and concerns of our Nation's veterans. Jack Davis is a very fine member of the Oversight and Investigations Subcommittee, which I chair, and his contributions are always welcome and appreciated.

We are here to hear from the witnesses themselves, and we are trying to hear about some of the details of the program which we

can improve, and that is really why we're out here. This is how the nuts and bolts of a congressional committee operate, by hearing from the veterans who know best about how we can make these programs effective. So we want to hear from you and I appreciate the opportunity to be out here, Mr. Chairman.

Mr. DOWDY. Thank you very much, Mr. Evans.

Through the years, Congress has approved a comprehensive program of rights and benefits for veterans in recognition of their special contribution made to our Nation. Congressional responsibility for these programs, however, does not end when a bill is signed into law by the President of the United States It is our responsibility, as members of the Committee on Veterans' Affairs, to ensure that programs are implemented and administered by the agencies involved as intended by Congress. This monitoring process is carried out at oversight hearings conducted in Washington and in the field, as we are doing here today. Field hearings are particularly important because they provide us with the opportunity to hear from the people who work directly with these programs at the grassroots level.

Today we will review the program of on-the-job training for Vietnam era and Korean conflict veterans established under the Veterans' Job Training Act, Public Law 98-77. VJTA, as the program is popularly known, has proven to be very effective and is a widely accepted program accepted by both veterans and employers. As of May 30, 1987, nearly 49,000 veterans nationwide had received employment and training under VJTA.

Although VJTA is an excellent program, we know that it can be improved. Last week the Veterans' Affairs Committee approved our legislation, H.R. 1504, which was developed and supported by Jim, Lane, Jack, and other members of the committee. This bill, which I expect to be voted on in the full House next week, would amend the Veterans' Job Training Act in this way:

One, it would extend the deadline by which a veteran must apply to participate in the program from July 2, 1987, to September 30, 1990; second, it would extend the deadline by which a veteran participant in JVTA must be enrolled in a job training program from January 2, 1988, to March 30, 1991. Those two changes were brought about by an amendment by the ranking Republican member of our subcommittee, Chris Smith of New Jersey.

The bill would authorize $30 million for fiscal year 1987 and then $60 million for fiscal years 1988, 1989, and 1990.

The bill would set aside 5 percent of the funds appropriated for VJTA to establish a program of employability training and counseling for VJTA participants. That change was brought about through an amendment brought forward by another member of our subcommittee, Joe Kennedy from Massachusetts.

Finally, H.R. 1504 would require the VA and the Department of Labor to do an in-depth analysis of VJTA so that we will have more information regarding program participants and be better able to assess how effectively these veterans are being served. That change was brought about by an amendment from our colleague, Marcy Kaptur, from Ohio.

We look forward to hearing your comments today on these provisions and other aspects of VJTA. Your first-hand experience with

this program will help us further evaluate the strengths and the weaknesses of VJTA and assist us in determining what additional changes, if any, would improve this program.

You have been advised that we would be delighted to receive written statements. Because of the number of witnesses that we have this afternoon's hearing, we would ask, if at all possible, in your preliminary remarks, that you hold them to a very brief amount of time, 2 or 3 minutes, because we want to have more time than that to ask questions so as to get as much information as we can from those who have agreed to come and be with us this afternoon.

Our first panel will consist of folks from the VA and the Department of Labor. Mr. Roy C. Wetherell, Director of the VA regional office in Indianapolis. Mr. Wetherell, will you come forward. And Mr. D. Bruce Redman, State Director for Veterans' Employment and Training with the U.S. Department of Labor. Mr. Wetherell and Mr. Redman, we welcome you to the subcommittee today. It is my understanding that neither of you wish to submit a written statement, which is fine. Do either of you want to make any comments to the committee, or would you rather have us proceed with questions?

Mr. WETHERELL. Whatever your pleasure. I was asked for a 2-minute oral, but we can waive that.

Mr. DOWDY. That will be fine. If you would proceed first in that fashion, Mr. Wetherell, and then Mr. Redman.

STATEMENTS OF ROY C. WETHERELL, DIRECTOR, VA REGIONAL OFFICE, INDIANAPOLIS, IN; ACCOMPANIED BY RICHARD L. DYER, COMPLIANCE SPECIALIST, VETERANS SERVICES DIVISION,. VA REGIONAL OFFICE, INDIANAPOLIS, IN; AND D. BRUCE REDMAN, STATE DIRECTOR FOR VETERANS' EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

STATEMENT OF ROY C. WETHERELL

Mr. WETHERELL. Thank you, Mr. Chairman. It is a privilege and honor to appear before this committee.

The Veterans' Job Training Act, referred to as the VJTA, has undergone several legislative and regulatory changes since its enactment in 1983. Some of the more notable changes include the liberalization of the eligibility criteria for veterans, extension of the life of the program, and provisions for additional funding.

The administration of the program is the joint responsibility of the Veterans' Administration and the U.S. Department of Labor. The VA regional office has worked jointly with State representatives of the Labor Department and we cooperate closely with the State Employment Service in order to ensure the continued and proper administration of the VJTA within Indiana. We have issued certificates of eligibility for program participation to more than 7,700 veterans. Presently, we have less than 200 applications for certificates pending approval. We have provided job counseling to nearly 500 Indiana veterans in order to assist them in selecting suitable job training.

Veterans' applications continue to exceed requests from employers with program approvals. Nonetheless, nearly 1,300 employers

exist within the State of Indiana who have at least one approved training program. Thus far, 617 employers have actually furnished training to 951 veterans and 932 positions.

Indiana currently ranks 19th in job placement among the 57 VA regional offices involved in local administration of the VJTA. Through mutual cooperation among participating Federal and State agencies, combined with the assistance of service organizations and other veterans groups and, most importantly, as a result of participation of veterans and employers, more than $3,300,000 has been introduced into the State's economy as a result of the VJTA.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you, Mr. Wetherell.

Mr. Redman.

STATEMENT OF D. BRUCE REDMAN

Mr. REDMAN. Thank you, Mr. Chairman.

I would just briefly like to state that the Veterans' Job Training Program in Indiana I believe has been a success. It looks like it will continue new successes as this bill is passed.

We have a little bit different set of figures coming from the Department of Labor. It is based on a placement definition. We have gotten 1,229 placements as a result of this Veterans' Job Training Program, slightly different because of the differences in definitions of placement versus match. I believe you've probably heard this before. We will even have cases where a veteran may go to work for a certified employer but the employer may not put that person in the program after all. I came across a personal case just 2 weeks ago like that.

I have talked to several people within the Job Service, the local Veterans' Employment representatives, and the Disabled Veterans specialist, and the local office managers. What they are telling me is they are anxiously awaiting a green light on this program. So we are certainly waiting to gear up and go with this thing again.

That really concludes my remarks. I am ready for any questions you might have. Thank you, sir.

Mr. DOWDY. Thank you both.

Mr. Jontz.

Mr. JONTZ. Thank you, Mr. Chairman.

As you know, here in northwest Indiana we have suffered a great deal from the problems of the economy. In our State we have lost some 30,000 steelworker jobs alone over the past 2 years. The statistics on the proportion of dislocated workers nationally which are veterans indicates that over 25 percent of dislocated workers on a national basis are veterans.

I wanted to ask either of you to comment, if you would, as to whether you can see any ways that this program could be improved to better serve the needs of dislocated workers. One suggestion, for instance, that has been made has been to waive the 10-week unemployment requirement for dislocated workers in order to bring them into the program more rapidly. Perhaps you would be willing to make a comment about that, or perhaps there would be other suggestions that either of you would have as to how we could

make the VJTA program serve the needs of those dislocated workers who are veterans to a greater extent than what we have been able to to date.

Mr. WETHERELL. I feel that the law, as passed, is being administered to the best of our ability within the State of Indiana, and we have a success story. We are ranked 19th whereas in size we would be 25th. So we are six above where we would ordinarily be if we were just meeting the national averages, so to speak.

However, any changes in the law, I believe, is a political decision and I certainly would support my Administrator of Veterans' Affairs in what he has proposed and so forth. But I feel like this would be something to be decided by the committee. As far as changing the law and so forth, you change it and, by gosh, I'll administer it.

Mr. JONTZ. Mr. Redman, do you have any comments about dislocated workers?

Mr. REDMAN. I am aware of the dislocated workers program under the Job Training Partnership Act, and I am also familiar with the title IV-C JTPA program that our agency administers. There are similarities in all the programs, but I don't really have any comment as to whether this would improve the VJTA to eliminate—in other words, to eliminate the 10-week stipulation or not. I really don't know. It may be.

But in the title IV-C program, there is no 10-week stipulation in there at all. That title IV-C program is for the Vietnam veterans, the disabled veterans, and the recently-separated veterans. It does not include the Korean era veterans. However, since those folks that are mostly dislocated workers in that title III program are in that age group, there is seemingly a lot of Korean era veterans in that title III age group. So where one may be slipping in this program, there is another program that picks it up.

That's my just personal observation. Once again, it is up to Congress to decide if they want to do that. If they do, we'll go for it.

Mr. WETHERELL. Certainly I don't mean to imply that I'm not aware of the sensitivity of the economic base in the Rust Belt evaporating. That is very much of a concern to myself and my office, and what you do when the economic base evaporates, like the foreclosure on homes, for example. This is really a trying situation and to them it's a deep depression here in the Gary area compared to Indianapolis, the type of unemployment that we've witnessed. So we are very sensitive to the needs.

Mr. JONTZ. Let me ask a second question, if I might.

You heard in Chairman Dowdy's description of the legislation which is now proceeding through the House, the fact that in the present form of the bill there would be a 5 percent set aside of funds specifically for the purpose of counseling. One of the criticisms that has been made of the existing program is that there is not adequate attention from the beginning to what the particular employment goals of the veteran are and that sometimes the veteran may end up in a job that is unsuitable for his particular interest and, furthermore, that sometimes there is not substantive contact or communication on an ongoing basis to assist the veteran who is participating in the program to be a successful employee from the

standpoint of other problems or needs that the veteran may have at that time.

I wonder if either of you would be willing to comment about the counseling component of this legislation, whether you think that adding some resources to this area would be helpful. In addition, is there some improvement we can make in the dropout rate, in a reduction of the dropout rate, by providing more thorough assistance to the veteran through pre-employment and then employment counseling?

Mr. WETHERELL. Mr. Jontz, I sincerely feel that counseling is an important element. However, I would highly recommend that it remain optional to the individual veteran involved and not as a prerequisite. I think a lot of them are able to decide for themselves what they are motivated for and what they want. I can't see us trying to tell them what they're best suited for when this motivation would overcome a lot of obstacles. Any counseling I would highly recommend be optional and not mandated by law.

Mr. JONTZ. Perhaps I might clarify. The legislation mandates the set aside. The legislation would not mandate counseling, as I understand it, but it would recognize the need which is there, which in many cases is not now—

Mr. WETHERELL. Certainly the need should be addressed, if they want it.

Mr. REDMAN. I am not sure I understand where this 5 percent goes, for one thing. This is kind of new to me, this one part of your new bill. The Employment Service offers counseling as well as the VA, and along with that counseling there is a case management concept that the Employment Service follows, and following up, once that veteran goes to work, checking with the veteran to be sure everything is going okay, checking with the employer to be sure everything is going okay, encouraging both to utilize the Employment Service or VA counseling staff, if necessary.

I'm not sure I understand the purpose and perhaps you might expand on that a little bit.

Mr. JONTZ. Let me ask you this, then, by way of clarification of what's happening at the present time.

There have been some 938 veterans placed in our State. For the average veteran, how much pre-employment and then post-employment counseling occurs for the average veteran who participates in the program in Indiana?

Mr. REDMAN. Okay. Up until about a year ago, there was no post-employment counseling that I was aware of. It was about a year ago that the case management concept came into being, maybe a little over a year ago, maybe 2 years ago. There was, however, a great deal of pre-employment counseling available and, once again, the Job Service, along with the VA, offered that counseling.

Mr. JONTZ. My question is not what was offered or what was available. My question is what counseling occurred.

Mr. REDMAN. I have no idea, because those—I know how many veterans received counseling, but I don't know how many veterans received counseling because they were VJTA eligible or certified.

Mr. WETHERELL. In my opening statement I indicated that 500 Indiana veterans received counseling from our regional office. Now,

that was essentially a change in the law. Before they didn't have any counseling. So the counseling is available, as far as I'm concerned, under the existing law. Now, which 500, I don't know if these were of the 938 or the 7,700. I don't have a breakout figure on that.

Mr. JONTZ. I want to thank you both again for your testimony.

Mr. DOWDY. Mr. Davis.

Mr. DAVIS. I have no questions at this time, Mr. Chairman.

Mr. DOWDY. Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

Did you say, Mr. Wetherell, that you had all but 200 employers certification applications that had not been filled at this time?

Mr. WETHERELL. Presently, we have less than 200 applications for certificates pending approval.

Mr. EVANS. What is the difference between the numbers of veterans who are certified to participate in VJTA in your area of jurisdiction and the numbers of veterans who are actually placed? This is a national problem that we have, so we're not trying to single you out in Indiana.

Mr. WETHERELL. I understand. This is the marriage that we have and that we've been trying to get hold of. That is the bottom line, the marriage. There have been a lot of employers, for example, that started into the program, and then afterwards they had to cut back for various reasons, in which we don't have the marriage. But certainly we are gearing up with our computers and everything else to get this marriage as rapidly as possible. If there is any individual out there, we're certainly going to match him, along with the—

Mr. EVANS. In my State of Illinois, I think we're dealing with almost 90 percent difference. That may be true here. It's true in most States for that matter.

Is that relatively the figure here in Indiana?

Mr. WETHERELL. Yes. I don't have the exact figure, but certainly, yes.

Mr. EVANS. Could you offer any ways we might make the program more effective, either in speeding up certifications and the placements of veterans? How might we make this program more effective, in your opinion?

Mr. WETHERELL. I think by trying to motivate the employers who actually hire the veterans. This is the bottom line.

Mr. EVANS. This is something I am very concerned about. I am Chairman of the Vietnam Era Veterans in Congress. One thing that we've heard is that there have been some problems of acceptability in the general mainstream of our society for Vietnam veterans, but also there are delays and have been problems with funding that have discouraged employers.

I might ask you, then, what is generally the length of time required for the various approvals here in Indiana under the VJTA? In other words, how much time is needed for the veteran certification, employee approval, and the commitment of financial assistance to the employer? Just looking at a ballpark figure or average, whatever you may be able to give us.

Mr. WETHERELL. I have Dick Dyer who has this information. He's my educational liaison and is directly involved, if he may answer that question for you, sir.

Mr. DYER. Okay, sir. I believe your question was the time span between the time we receive an application for approval from the employer until—

Mr. EVANS. Yes, and also, how long it takes for a veteran to receive his eligibility statement.

Mr. DYER. Okay. The time span for an employer's application to be processed in my section is anywhere from five to 10 working days from the date we receive that application in the section. And it's 10 days on the certificates of eligibility.

Mr. EVANS. You're talking 10 working days?

Mr. DYER. Yes, sir.

Mr. EVANS. So that, depending on about how fast the mail is here, if a person mails those things in, it might be 2 or 3 days, I suppose, and then maybe 20 days for all the paperwork. That about the average of what we're facing, to be honest with you. But that is a lengthy time for an employer to wants to hire a veteran. It helps if everybody's got all the i's dotted and the t's crossed, I realize. But if we're saying that part of the problem is getting employers involved, I think part of it is because we need education of some of our employers. We need to help our veterans be more accepted, but I also wonder what we might be able to do to speed that up.

I guess that is better than average, actually, from what we've been hearing. But that is part of the problem we have been hearing.

Mr. WETHERELL. That has received top priority at the regional office, the timeliness, and the quality.

Mr. EVANS. All right.

Mr. DYER. I also might add that a lot of the times the DVOPs and LVERs might call me and say "I've got an employer's application here; I've also got a veteran's match. We're ready to go with it as soon as you can approve it." They will tell me the name of that company and I will be watching for it, give it priority, so that I can even give them an effective date over the phone. They can issue a notice of intent to the employer and we can get the veteran on the job.

Mr. EVANS. Your Job Service officers actually do more than just help walk some of these employers through. Earlier in Galesburg we had some testimony about how the Job Service officer actually helped outline the actual training program itself. This Job Service officer I think we figured had about 5 percent of the job placements in the State of Illinois just out of his office. He received a VFW award for the best out of the 62 offices in the State.

Do you make that kind of effort here in Indiana, where you actually will do more than just get the employers acquainted with the program and actualy walk them through to the maximum extent possible?

Mr. DYER. Yes. The State employment reps will actually go out and meet with the employer and assist him in writing up a valid training program. Of course, they will answer any questions and give me any information on the Job Service certification attachment that I may need to proceed with the approval in a quick way.

Mr. EVANS. Thank you. Actually, one of the things we're out here for is not only to hear from you but to publicize the fact that we can move these certifications through real quickly. We appreciate your efforts to do so.

Mr. DYER. Thank you.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. DOWDY. One question to Mr. Wetherell—and your name again is what?

Mr. DYER. Dick Dyer.

Mr. DOWDY. Mr. Dyer, the time referenced for approval of the employer, have you always done as well as you're doing now? Has that time been speeded up over the recent past?

Mr. DYER. It has been speeded up in the recent past, just simply because, since the funding has been depleted, we have not—I should say I have not received as many applications each day as we have in the past. In the past they used to come in 30 and 40 a day.

Mr. DOWDY. What was your time frame when you had that many applications?

Mr. DYER. That was at the maximum of 10 working days.

Mr. DOWDY. Any other questions? All right. Thank you very much.

Mr. WETHERELL. Thank you, Mr. Chairman.

Mr. REDMAN. Thank you, sir.

Mr. DOWDY. Our next panel consists of some employers who are participating in the VJTA program, and employees. Mr. Peter Blanco, who is a VJTA employer. Is Mr. Blanco present? He's not here.

Mr. Patrick Clare, employee.

[No response.]

All right. Mr. James Kopp, employer. Is Mr. Kopp present?

[No response.]

Mr. Leonard Puchalski?

[No response.]

I might not be saying the names right.

Mr. Henry Nyenhuis? All right, he's here. And Mr. Joseph Britton, employee. Is he present?

Mr. NYENHUIS. Mr. Britton won't be here today.

Mr. DOWDY. I see. All right. Mr. Nyenhuis is with Helix Hydrolics. Thank you, Mr. Nyenhuis, for your presence.

What type of business are you engaged in at Helix Hydraulics, for the record?

Mr. NYENHUIS. We're basically in the hydraulic repair business and manufacture cylinders.

Mr. DOWDY. Where is your business located?

Mr. NYENHUIS. We're located in Crown Point, IN.

Mr. DOWDY. And what is your capacity there?

Mr. NYENHUIS. I'm the president and owner of the company.

Mr. DOWDY. How many employees do you have?

Mr. NYENHUIS. We would vary somewheres between 35 to 50.

Mr. DOWDY. All right. Mr. Nyenhuis, we would like for you to have an opportunity to say whatever you would like to say about the VJTA program, and then afterwards we would like to have an opportunity to pursue that further with questions.

STATEMENT OF HENRY J. NYENHUIS, PRESIDENT, HELIX HYDRAULICS

Mr. NYENHUIS. Thank you. I was asked to make a short statement for just a couple of minutes to more or less give the business side of employing some of these people. So, in lieu of that, I put together a statement. All we are trying to do is give our reaction to the program.

We at Helix Hydraulics had been trying to hire various skilled persons via an ad in the paper and had encountered some of the various problems that you get when you have unstructured qualifications of applicants.

We contacted the Indiana Employment Security Division to see if they had any qualified individuals. At that time we were not really aware of these programs. They responded with an inquiry of their own. They asked if we would be interested in hiring a vet. We obviously had no reservations, except that they be qualified to do the job that we envisioned, and that we not be asked to revise the job content. As we are a small company, flexibility in performing various related tasks is essential.

Thereafter, a rep came out to ascertain exactly what the job requirements were. This actually was quite helpful since our job descriptions were a little vague, to say the least.

Within a few days he sent us a couple of applicants. The candidates were already qualified for the jobs. We had to select the best one to fit our particular job requirement. They only needed specific training within our plant. The fact that the program paid for the training was like icing on a cake.

We have found that most vets are easy to work with. They usually have a good work record and are used in working in a disciplined environment. I personally was pleased with the extra maturity that they seemed to bring to the job.

Our experience on the whole was good. The paperwork for the program was not difficult, and the only negative feature we felt was maybe the number of follow-up visits. Having a representative come quite so often seemed to be laborious once in a while for a small company.

We are happy with the program. We would certainly use the program again if the need arises.

Thank you.

Mr. DOWDY. Thank you.

Do you recall, sir, how many veterans you have worked with in the VJTA program and over what period of time?

Mr. NYENHUIS. We've only had two that were in the program working for us. I think that's over the last 3 years. We've got other veterans working for us, but there was only two that were within this program.

Mr. DOWDY. After their initial training period, were these veterans retained as employees of your company?

Mr. NYENHUIS. Yes. One of them now has joined another firm and has left the company, but he was with us for about 3 years

Mr. DOWDY. How would you compare those who come to you under the VJTA program and other employees in terms of complet-

ing the required training period and staying with the company. Have you noticed any difference or—

Mr. NYENHUIS. No. We're a small company and we haven't had the big turnover from any of our employees. As was talked about earlier, the employment situation here in northwest Indiana is such that there are so many people looking for jobs that they don't just jump into something else. As I said, we've only had two members in the program and both of them were adequate and both of them filled the job. Both were excellent while on the job.

I don't think anything could really be added as far as one type of employee versus another, except that I think the veteran, as I stated, has this maturity and seemed to have a little more responsibility. He knew why he was there. If he had a problem, he could solve that problem. As far as his work habits, as far as his willing to learn, I think he came to us with that feeling that he had to respond. We were very happy.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. First I want to say I am very pleased to hear the testimony and to hear of the experience that you've had. I want to commend you as an employer for partcipating in the program and I hope your company will grow and that you'll have many opportunities again in the future to utilize VJTA.

You mentioned the fact that, in your opinion, the paperwork that you had to complete was not unreasonably burdensome. This morning we heard a statement from an employer in our Galesburg, IL hearing who said that he believe that over the 9-month course that he had an employee on the program, he probabily took less than an hour total for paperwork. This seemed incredible to me for a Government program. Perhaps there was some mistake made, I don't know.

Would you make any estimate as to what time requirements were necessitated by your VJTA participation?

Mr. NYENHUIS. I don't think he was that far off. I think the initial go-around, where the secretary in the office had to go through the program and learn to dot the i's and cross the t's, once that was done, from then on we really didn't have any problems. It was very little time. There was no problem there at all that I see.

Mr. JONTZ. Excellent.

I wonder if you might comment as to whether you believe there are other employers in northwest Indiana who might be able to take advantage of the program but are not aware of it, and whether you have any recommendations along the lines of what could be done to better acquaint the employing community, the business community, in northwest Indiana of the benefits of the program.

Mr. NYENHUIS. The benefits I think are great. Any time you can get some help in training, if you're a small businessman, that's to our benefit.

I'll be honest with you. I'm a little bit ashamed of the fact that I didn't even really know about the program except when Walt White gave us that information. I think you are going to have to make us more aware of the program. I don't think that I'm that much different than other small businessmen. Therefore, I think if small businessmen were made aware of it—I think most of us have a loyalty towards the veterans. As long as they can do the job—you

know, we're still businessmen—I think it would be a tremendous asset to us.

Mr. JONTZ. Thank you very much.

Mr. DOWDY. Mr. Davis.

Mr. DAVIS. Thank you, Chairman Dowdy.

Mr. Nyenhuis, I, too, want to congratulate you for getting involved in the program. I am distressed somewhat, however, to hear that it was quite by accident. Maybe we should have had you and the employees and the other employers on first, to lead us down that path a little bit, maybe to recommend or figure out a way to add some further activities to the outreach program. You can't have a VJTA until you get somebody to hire the veterans. So the employers should be very much aware of this.

So, Mr. Wetherell and Mr. Dyer, et al, let that be part of the record, that this witness testified that he had to find this out by accident. I don't mean that as a negative for Indiana because I'm sure that Illinois has the same problems. I think we admonish ourselves, in that maybe we should bolster outreach as a way of implementing the further success of the program.

Let me ask you this, Mr. Nyenhuis. You say in your testimony that a rep came out to ascertain what the job qualifications were. Your specification was kind of a "jack of all trades" but a really good "jack of all trades"; is that the idea?

Mr. NYENHUIS. In a small business, we have the situation whereby in this particular case we were looking for a management type person to run a machine shop.

Mr. DAVIS. Yeah, a job shop.

Mr. NYENHUIS. A job shop, right. When you advertise for something like that in a local paper, you get everybody who wants a job. I think what really helped was that he knew what we wanted, so he came in, took a look at what we wanted, sat down and we talked for an hour, and then he went back and evaluated the various applicants that he had. So when I've got those people in front of me, I have a select few.

Mr. DAVIS. But you turned to the Indiana Employment Service first for that kind of a service, to say "Hey, wait a minute, I can't match this up because I'm being inundated by the results of my ad and it's wasting my time"; is that it?

Mr. NYENHUIS. Right. In northwest Indiana, you're always afraid to put an ad in the paper—

Mr. DAVIS. I understand. It's the same in my district, sir. We've got the same problems.

Then you did make the comment that you thought that the reps came around perhaps a bit too much. When they were there, did they take the employee's time to sit him down and talk to him and relatively counsel with him on a 15-minute or half-an-hour basis, and did they ask to go through his work performance with you and other supervisors? I mean, that comment leads me to other questions. You know what I'm driving at.

Mr. NYENHUIS. I don't want to overemphasize—

Mr. DAVIS. No, I understand that.

Mr. NYENHUIS. You know, I understand there's got to be control. In business you have your own controls.

Mr. DAVIS. Sure. I'm just curious.

Mr. NYENHUIS. When I talk about the amount of time, it was the number of times they came to visit, not so much how much time. I will not say that he took the employee's time. I mean, he was very well controlled that way.

Mr. DAVIS. Sure.

Mr. NYENHUIS. He didn't come into the plant unless he was invited. When he talked to an individual—You know, I don't know what he did outside of the plant. On my time, it was very short. I don't know if there was any problems or not.

Mr. DAVIS. Maybe the fellows in the back there could just nod. Is that because he was a new employer and you would make more repeat visits to a new employer that you had just signed up? Is that it? Well, you don't have to respond. Just yes or no, sort of, or I don't know. Well, maybe you just had an overzealous rep, too.

Thank you. You are to be congratulated, sir. Hang in there and spread the word for us. Help us with the outreach.

Mr. DOWDY. Mr. Evans.

Mr. EVANS. I also would like to join in commending you for participating in the program, recognizing the extra maturity that we believe veteran employees have. I guess one of the best ways we can get more employers involved, besides whatever outreach we may do, is by you spreading the word about how it has been successful, and you're doing that here today. So thank you very much.

Mr. NYENHUIS. I would be happy to, sir.

Mr. DOWDY. Thank you very much, Mr. Nyenhuis. Along with the other members of the subcommittee, we appreciate very much your participation in what we see is a very good program. We thank you.

Mr. NYENHUIS. Thank you.

Mr. DOWDY. Our next panel will consist of Mr. William Norvell, employer. Is Mr. Norvell present?

[No response.]

Mr. Dave Lennox, employee.

[No response.]

Mr. Robert Miller?

[No response.]

Mr. Chuck Ronanenko?

[No response.]

Mr. Victor Swetky. Thank you very much, Mr. Swetky.

For the record, Mr. Swetky, if you would pull the microphone to you, where do you live, sir?

Mr. SWETKY. I live in Gary, IN.

Mr. DOWDY. And what type of business do you engage in?

Mr. SWETKY. I am not in business. I am just an employer—I mean an employee.

Mr. DOWDY. You're an employee?

Mr. SWETKY. Yes.

Mr. DOWDY. Were you a Korean conflict employee?

Mr. SWETKY. Yes.

Mr. DOWDY. Where do you work now, Mr. Swetky?

Mr. SWETKY. Right now I work for McLaughlin Golf Ball in Crown Point, IN.

Mr. DOWDY. And how long have you been there, sir?

Mr. SWETKY. Approximately 13 months.

Mr. DOWDY. And have you completed the training program under VJTA?

Mr. SWETKY. Yes, I have.

Mr. DOWDY. All right.

Mr. Jontz?

Mr. JONTZ. I wonder if you might describe your experiences for the subcommittee, how you became aware of the program, what you did as an employee. Just give the subcommittee a summary of your experience, if that would be possible.

STSTEMENT OF VICTOR SWETKY, VJTA TRAINING PROGRAM PARTICIPANT

Mr. SWETKY. Well, through the Indiana State Unemployment Division, Mr. Walt White had made me aware that there was this opportunity. Therefore, by going and contacting him, he advised me about the job that was being presented to me.

At the time, I had been working in Illinois, commuting back and forth. In the meantime, I was laid off at the other job. So Mr. White made me aware of the fact that this opportunity was there if I wanted it, and if I would go and check it out. I said yes, I would.

The only thing I have against it—and maybe it's just partial, or maybe it's because it happened to me. Once the program was over, I was cut down in wages. This was the only thing that I had happen to me, and I was a little perturbed about it.

Mr. DOWDY. Just so we understand, once your training period was over—

Mr. SWETKY. Yes, sir. In other words, after the 9-month period, commencing the tenth month, I was dropped down almost $2 per hour in wage.

I don't know what the procedure would have been, but had there been some kind of input or a clause placed into the fact that I was hired in at $8 an hour, and then after the program was over they reduced me down to $6 an hour.

Mr. JONTZ. Can you describe your responsibilities with the company?

Mr. SWETKY. Yes. My responsibilities with the company was as a mechanic, to service and repair the hydraulic mold injectors, really a servicing type of mechanic. They had packing machines, they had hydraulic extruders, pneumatic, and various types of manufacturing equipment for golf balls.

Mr. JONTZ. How long had you been without employment when you signed up for VJTA?

Mr. SWETKY. It was approximately 3 months from the job in Illinois until I contacted Mr. White at the State Unemployment Office.

Mr. JONTZ. During the 9-month period that you were in the program, was there some regular communication between the agency and yourself as Mr. Nyenhuis described? That is to say, were you visited at work or were you contacted outside of work to just see how things were going, and then was any contact made with you at the end of your 9-month period?

Mr. SWETKY. I would say within 90 days or so I would contact Mr. White and I would inform him how things were going and so

forth. Like I say, the only thing I had against it was the fact that I was dropped in my wage, my hourly wage. I personally suggested to them at the time that had I known this I would have never accepted that job, under those conditions, you see. This was the only thing that I had. Other than that, it was a good program.

Mr. JONTZ. Did you have a chance to ask Mr. White about that cut in your wages?

Mr. SWETKY. Yes, I did. When I tried to contact Mr. White, he was on, I think, a 1-week vacation. Then I thought I would go along with the program and find out and see what's cooking. Then I noticed the same employer had hired another individual in a supervisory capacity—which, you know, that's none of my business. He had hired him at a higher wage than I had received, and I had years of experience. I had 27 years with the Budd Company when it was here. I mean, I thought I was being given the shaft, more or less. But again, I thought I would bite the bullet and stick with it. So, at the present time, I am still employed there.

Mr. JONTZ. I have no more questions. I appreciate your candid testimony this afternoon.

Mr. Chairman, I might add that I'm not sure whether the law does or does not speak to the question of reducing wages for an employee after they have completed the program. I can certainly understand Mr. Swetky's concern about that. I don't know whether any other instances of this type have been brought to the attention of the committee or not.

Mr. SWETKY. The only thing, like I say, if it's going to help anybody to commence with the program, it should be looked into, as far as you're going to keep the man at the wage he was being hired under the program. You see, I had no idea how this was going to work out.

Mr. JONTZ. I think you're right, and I think you've made an excellent point. I appreciate your bringing that to the attention of the committee.

Mr. DOWDY. Mr. Davis.

Mr. DAVIS. Thank you, Mr. Chairman.

Mr. Swetky, I, too, am concerned that you weren't informed at the beginning, or certainly at the end, of what was going to transpire, because you might not have accepted the employment.

Let me ask you this question. How long have you been with the golf ball company?

Mr. SWETKY. Approximately 13, 14 months now.

Mr. DAVIS. Have you made back up the $2 an hour now?

Mr. SWETKY. Not at the present time, no.

Mr. DAVIS. How far along are you?

Mr. SWETKY. Now I'm up to $6.60.

Mr. DAVIS. Are the other employees that have been hired in a nonsupervisory capacity have approximately the same—

Mr. SWETKY. No. The reason, I was told, is because the other three employees that he has were only getting $6-something an hour. Therefore, it wouldn't be right for me to be—which I was producing almost as much or more than the other employees, but that had no bearing on it. Do you understand what I'm saying?

Mr. DAVIS. He thought he was going to have problems with the others.

Mr. SWETKY. Right. In other words, there was a confliction. Why should this guy get so much?

Mr. DAVIS. I think you did make a good point, though. The administrators have to be aware of this and I think we should advise them of that. If there is going to be a downtake of wages at the end of the training period, the applicant ought to know that before he enters the program.

Mr. SWETKY. I would be appreciative if they would start at a scale—

Mr. DAVIS. And brought you up.

Mr. SWETKY. And worked it up. That would have been better and I would have been more appreciative of that.

Mr. DAVIS. If they would have started you at $5.50 and bucked you to $6.60 the next month after your 9 months was over, it would have looked a lot better.

Mr. SWETKY. That's true.

Mr. DAVIS. I have no more questions. Thank you, Mr. Swetky.

Mr. SWETKY. Thank you.

Mr. DOWDY. Mr. Evans.

Mr. EVANS. Mr. Swetky, first of all, thank you for coming. It must be pretty hard for someone who has worked as hard as you have all your life—You said you worked someplace else for 27 years?

Mr. SWETKY. At the Budd Company. It closed down here.

Mr. EVANS. So you probably, upon your discharge from the service, were employed there practically most of your life, or all of you life?

Mr. SWETKY. Just about.

Mr. EVANS. You're a Korean veteran, are you?

Mr. SWETKY. Yes.

Mr. EVANS. Might I ask what branch of service you were in?

Mr. SWETKY. The Army.

Mr. EVANS. You know, one of the problems we have—I guess it's a twofold problem for our Korean veterans. One, they have had jobs and have been good workers and have paid taxes and so forth, and usually, once they got out of the service, they just filled out an application and got a job and worked there all their lives, like you have.

Then there is a second problem because maybe, first of all, they don't have the ability to go out and seek new jobs and go through interviews and fill out resumes and, in a sense, market themselves, because they have never had to. But then, secondly, you're facing perhaps age discrimination as well.

Mr. SWETKY. That's true. I understand. But if I'm performing the job—like I say, if I'm doing the job, I should get compensated for it.

Mr. EVANS. Oh, absolutely. I'm not disputing that.

Mr. SWETKY. Even if I'm 66, you know. If I'm performing, fine and dandy. If I can't perform, then I shouldn't be paid at all.

Mr. EVANS. You obviously can perform. That's why you worked 27 years. I'm just looking at it from the viewpoint of the Korean veteran, the person who has had a long and stable employment record, and then suddenly he loses his job, probably through no fault of his own, because a plant shuts down or whatever else. I

know there are a lot of Korean veterans that we haven't reached with the program, and we want to demonstrate that.

What else might we be doing to help some of the older veterans? Counseling, or some of the job placement skills and things of that nature? Would that be useful, do you think?

Mr. SWETKY. Well, I think you've got your State unemployment, like Mr. White. I hadn't known of Mr. White being even there until I happened to go down and file for unemployment compensation. Then I had to go and rewrite a history thing about something, you know, write a new brief description of my job and so on and so forth. But basically, if you can advertise it, like a lot of Legion posts should advertise like any organization, like the KC or Knights of Columbus or whatever, that would give a little briefing on this program, that would help. Because I know there's three or four people in Hammond that get disgusted from even going and looking for a job because they think their age has got the best of them.

Mr. EVANS. Were a lot of people laid off when you were from the same employer? Was it a massive layoff in your case?

Mr. SWETKY. Well, I would say so, yes.

Mr. EVANS. How many people, particularly veterans of your age, were laid off at that time; do you know?

Mr. SWETKY. I have no approximate figure on that, no.

Mr. EVANS. Are a lot of them working now?

Mr. SWETKY. A lot of them are not from our State. A lot of them had come in from other States. However, the program could be improved possibly through advertisements or, like you're saying, through organizations, through Legions or the VFW or whatever.

Mr. EVANS. Thank you for coming forward. We appreciate your time.

Mr. DOWDY. Mr. Swetky, I want to ask you another question, just to make sure I understand some of the things you brought to our attention.

I think I know how this program is supposed to work, but during the 9 months when you were in training, you should have been getting one check and that was from your employer—in other words, during this period of time you did not get a check from Government, or half from the Government and half from the employer; you got one check from your employer, is that right?

Mr. SWETKY. Only my regular 40 hours from my employer. I never got any other check.

Mr. DOWDY. After the training period was over, were there any changes in either the hours, the number of hours you worked, or in the job you did? Were there any differences?

Mr. SWETKY. There was no difference. Actually, it was just a cut because of possibly a new person maybe coming into the firm, or possibly a new hire, plus the fact that these other three workers had been in a lower pay scale than I had been. In other words, I had been hired in at $8 an hour and these others were only getting $6-something an hour, so they thought this conflict wasn't very good for the working force.

Mr. DOWDY. I want to thank you, Mr. Swetky. We been dealing with this for several weeks and this is the first time that anybody

has brought this particular problem to our attention. We want to thank you for that.

Mr. SWETKY. I certainly appreciate being here. Thank you.

Mr. DOWDY. The next panel will consist of veterans' organizations. Mr. Bob Foster with the American Legion, Mr. Paul Curtis, Veterans of Foreign Wars—is Mr. Curtis here? Is there anyone else who is a designated representative of the VFW?

[No response.]

Also, Mr. Walter White of the Vietnam Veterans of America.

We want to thank Mr. Foster. We like your organization's taste, in that your current Commander is from our State of Mississippi, my good friend Jimmy Dean. Can you understand him when he talks?

[Laughter.]

Mr. FOSTER. Certainly. It was about a year ago that we made him an honorary Hoosier and his diction improved greatly at that time.

[Laughter.]

Mr. DOWDY. Mr. White, are you the same Walt White that—

Mr. WHITE. One and the same, sir.

Mr. DOWDY. Very good. Thank you very much.

You are a member of the Vietnam Veterans of America?

Mr. WHITE. Yes, sir. I am a member and a member of the board, a charter member. But today I am speaking not as a member of Vietnam Veterans of America but I am speaking in my capacity as a veterans' representative from the State Employment Service.

Mr. DOWDY. All right. I think you're coming from both directions will enlighten us even more. So first is Mr. Foster, then Mr. White, any comments that you would like to make, and then I'm sure the members of the panel would like to ask you some questions.

STATEMENTS OF ROBERT J. FOSTER, DIRECTOR, PUBLIC RELATIONS, THE AMERICAN LEGION, DEPARTMENT OF INDIANA; AND WALTER WHITE, VETERANS' REPRESENTATIVE, INDIANA STATE EMPLOYMENT SERVICE

STATEMENT OF ROBERT J. FOSTER

Mr. FOSTER. Thank you very much, Mr. Chairman, members of the committee. My name is Robert Foster. I am here today as a representative of the 129,700 men and women of the Indiana American Legion, all of us, of course, being wartime veterans. I would like to bring greetings to each of you and thanks from our Department Commander, Alvin Werner of St. Leon, IN. We think it is great that you would take the time to come and visit in the States of Indiana and Illinois.

I would like to start by stating that I am certainly no expert on employment. As an appointed officer, a State officer for The American Legion here in Indiana, I can only relay to you the thoughts of veterans as I have received them and pass along to you the impressions and the requests of The American Legion as a whole.

I previously provided the committee with written testimony which outlines most of our thoughts regarding the Veterans' Job Training Act. Briefly, The American Legion has gone on record as supporting the VJTA and we advocate a planning level for the program of $75 million per year through the year 1991. We hope to see

approval of the House bill. We feel it would give the program the needed stability in funding and length of life more than anything else that is really needed.

The American Legion feels that the program is worthy but it is currently lacking a lot of confidence by employers and veterans' representatives because of the on again/off again nature of the program funding that has occurred in the past.

We feel that the program has to be better publicized. The veterans are not aware that the program is available to them. As I was sitting over here and listening to people saying they hadn't heard much about the program, it suddenly dawned on me that I only have one source of information about this program, and that's your committee. You are to be commended for that.

In our last newspaper—believe it or not, we're the third largest newspaper in the State of Indiana, with a circulation of about 160,000—we have an article in here that says "Vets Job Training Fund Gets Congressional Boost". That whole story came directly out of a release that your committee sent out to us. So, without that, perhaps the veterans in Indiana wouldn't know anything about it at all.

The American Legion wishes to see the eligibility requirements for participation to be changed to include targeting of the dislocated workers. Indiana has a real problem, with these fellows in the steel mills, just generally factory slowdowns and shutdowns, with the corresponding foreclosures. That has really hit the veteran population in the Midwest. We feel it has hit the veteran twice as hard as it has the rest of the general work force, and I think we have the statistics to back that up.

The American Legion wishes to underscore, however, its opposition to any devolvement of the employment and training services which would weaken or relinquish Federal control over the employment services and requirements for veterans preference. We face a unique situation here in the State, wherein Indiana is going through this devolvement. We are going to have to watch that very closely over the next year, after the first of July, to see if veterans preference is tracked all the way through these programs, including JPTA and this program.

In the interest of conserving time, I will just wrap up my oral testimony, and if you have any questions, of course, I will be here to entertain them.

[The prepared statement of Robert J. Foster appears at p. 122.]

Mr. DOWDY. Mr. White.

STATEMENT OF WALTER WHITE

Mr. WHITE. Thank you, Mr. Chairman. I do have a short statement.

Gentlemen, first let me thank you for allowing me the privilege of speaking to you today. As the veterans' representative for the Merriville office of the State Employment Service, I have been involved with the promotion and utilization of VJTA since its original inception as the Emergency Veterans Job Training Act of 1983. Through it we have been able to place over 30 veterans into jobs by use of this program.

Now, this may not seem like a very large number to you, but please consider these two points. First, the area my office serves, which is south Lake County, has a very small industrial base. The bulk of its job offerings are part-time minimum wage employment in the service industry area, or else clerical type jobs. Neither area is attractive to veteran employment.

Secondly, the two-county area, Lake and Porter Counties, has experienced double digit unemployment for over the past 5 years. We are currently still the only statistical unit in the State still with an unemployment rate in excess of 10 percent.

With those two points as a frame of reference, I hope you can appreciate why we're proud of these 30-plus placements. By the way, most of these veterans are still working in either their original training site or within the field of their training. In other words, the program is working as it was intended.

Several of the employers utilizing the program probably would have hired the vets without the incentive of reimbursement. Most, however, could not have opted to do so without this incentive. Training does cost money. I think you've heard testimony to that effect already today.

This program has been a very productive tool, aiding us in our efforts to place veterans.

I speak to you today from two perspectives. First as an individual involved in the professional and employment field, and secondly, as a veteran who has personally experienced long-term unemployment. I know where my clients are coming from both on an emotional and physiological level. I know the level of stress it places on the bread-winner, and I know the pressures it places on family relationships. I have seen friendships dissolve and families disintegrate for lack of a job. This program can help prevent that.

One of the vets placed with this program drew his first paycheck two days before he would have missed his third house payment. This program saved his house, perhaps his family. We need it continued.

Who really benefits from this program? Obviously the veteran benefits. He or she has a job. The employers also benefit. He can obtain the qualified employee and train that person at a reduced cost. The one that you don't know about, though, is that the public also benefits. The tax dollars paid out for this program are offset by decreased payments for unemployment, food stamps, welfare, et cetera. Also, by increased taxes now paid by the now employed veteran for the balance of his work life.

This program, like the GI bill, will in the long run pay for itself several times over in increased tax revenues. Most programs these days are pluses offset by minuses, win versus lose situations. This program is a win, win, win situation. Everybody comes out ahead, even the taxpayer.

I know this program should be continued. I do not know the words strong enough to convey how firmly I believe that this program is for the public good and for the betterment of all the country, not just for those who fought to protect it.

I encourage you to both pass the needed current appropriation legislation and, further, to extend the life of this very beneficial program. Thank you.

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Mr. DOWDY. Thank you both, Mr. Foster and Mr. White, for your brief comments. You both have pointed out what others have told us they see as the main problem with the VJTA, the lack of adequate funding and continuity of funding. We have been doing our very best in the Congress of the United States. Since the inception of this program about 4 years ago, we have authorized about $370 million. That is what Congress has done. About half of that amount has been actually spent on the program.

You, Mr. Foster, alluded to The American Legion's position in terms of what you would like to see spent in support of the program. With the bill that has passed our subcommittee and our committee, and will be taken up by the House in about a week, which I think will pass, we're not far from what The American Legion is recommending. We are doing our part. We've just got to convince other people in Washington that this is an important program, that we're still having employment problems with our veteran population. I wanted to say that in defense of those who serve on the Veterans' Affairs Committee and in answer to your comments about needed funds for the program. We've been doing our part.

Mr. FOSTER. I think the $60 million funding would probably satisfy all of the requirements and the hopes that we have on a national level. I think that most of the targeted programs usually receive just about that set amount of money. That is the primary thing we were concerned with, was to get away from the 1-year or the 12 calendar month authorizations and let's get the program rolling so that employers and veterans job representatives know that they can look down the road until 1991 and say "hey, I can sell this for the next 3 years." I think that is very important, to get the program moving again.

Mr. DOWDY. One other thing, and then I'll be quiet.

That was a change in response to folks at other hearings. They had come to us and told us that we needed to make it longer than a 2-year period. So the ranking minority member of our subcommittee, the gentleman from New Jersey, made that amendment. It has passed and it's in the law. I hope that that will be the final posture of the law. But our problem is not with the Congress. The problem lies within the Office of Management and Budget. You know their position on this legislation. We are aware of the problems you have pointed out and, in our defense, I wanted to tell you that we're doing our part.

Mr. Jontz.

Mr. JONTZ. Thank you.

Mr. Foster, I want to thank you for your statement and also commend the Legion for its active role in advocating this program. We in Indiana are very proud of our State being the site of the national headquarters for the Legion, of course, and very much appreciate your statement here today and the leadership of The American Legion on this issue.

I was, of course, very interested in the portion of your statement dealing with the issue of dislocated workers. You have made reference in your written statement to the possibility of targeting and/or waiving eligibility requirements for the dislocated worker.

I wonder if you might make any further comment about that, whether in any way you might offer some further guidance to the

committee about what you think could be done to make the program better meet the needs of our dislocated workers who are veterans here in Indiana.

Mr. FOSTER. Yes, Congressman. Most of the information that I put into my statement today is from clippings and notes that I have been trying to maintain, primarily as a newspaper editor over the last 3 months, 2 years, whatever it may be. I think the thoughts are merely echoes of what our National Economics Commission would desire in national legislation.

We feel that the veterans are taking it on the chin as far as being dislocated workers. If my memory serves me right, I think 26 percent of all the dislocated workers in the United States are veterans, whereas in the general work force that number is only 13 percent, so about twice as many veterans are being hit by factory layoffs and factory closings, whatever else.

We feel the VJTA is doing a good job when it's running along and getting people into it, but we feel it could really do a service to the veterans community if they would concentrate and target just that dislocated worker, perhaps waive the minimum number of weeks of unemployment that they have to have to get into the program, give them a little boost. These are people who have been working and have good track records for their entire lives for the most part. We heard from one gentleman earlier today with 27 years working for one company. He's a good employee. I think if we can get these fellows into the program and get them to another employer, they are going to turn out to be equally as good employees at that next location as well.

Mr. JONTZ. Thank you.

You also noted in your statement the concern of the Legion about changes which are occurring in Indiana and may occur on a national basis with regard to the control and the administration of the employment security services. Let me add that I share the concern of the Legion about that development and want to be monitoring very closely what happens here in our State. I think that our Veterans' Affairs Committee also wants to be monitoring that. I appreciate your raising that issue to the attention of our committee today.

Mr. White, I did some quick calculating and my belief is that about 3 percent of the placements that have been made under the Veterans' Job Training Act in our State have been made through your office, if my figures are correct.

Mr. WHITE. I don't keep those kind of statistics, but I won't argue with you.

Mr. JONTZ. Well, all I did was divide the 900 and some by 30 and came up with 3 percent. So I want to say that it appears that that figure far exceeds what the average would be for other parts of the State.

This morning in Galesburg we heard testimony from another public servant who had done an exceptional job, as you have, in making this progrm work. I know very well that 3 percent of the State's population does not live in south Lake County in the area that you serve. We in the Congress want to do our part to make this the best possible program, but I think the testimony we heard this morning, and now your testimony this afternoon, does point

out that an individual such as yourself, who has made a real concerted effort to make this program work, can make a big difference. I wanted to commend you for that and tell you how pleased we are to hear that testimony about your success with the program.

Mr. WHITE. Thank you, sir.

It is an easy program to sell. I think you have already heard testimony to the effect that the typical Federal program, with reams and reams of paperwork, is absent in this one. Once you get the employer's hesitation past that point and show him the program has minimal paperwork, that removes a major obstacle just in and of itself, besides the "carrot" of the money.

Mr. JONTZ. Thank you.

I have no further questions, Mr. Chairman.

Mr. DOWDY. Mr. Davis.

Mr. DAVIS. Mr. White and Mr. Foster both, let me just ask you—and I'm going to ask this also of the Illinois veterans employment representative and the State coordinator for veterans employment. It seems to me, just from this thread and the other testimony that has been taken on this subject, there is a lack of awareness that is—well, not frightening, but it is at a level that could be improved, let's say, between the employer and the employee. Because just here this afternoon there has been some testimony that "well, I didn't know that was available and thank God for Walter White because he steered me that way." And the employers said the same thing.

Mr. Foster, I guess the American Legion must have a deep interest in spreading this word, as the VFW and the AMVETS and Disabled Veterans and Vietnam Veterans. How would the two of you get together to disseminate that information? In every Legion post in every town in Illinois and Indiana there are doctors, lawyers, Indian chiefs, industrialists, because veterans cut across every single facet of American life. There are people who are employers, personnel managers, who are small, mediam, single companies, small employers, small businessmen. How do you get that word across so that that post becomes a generator of activity for both Mr. White's organization and for the member of the post that is recently unemployed or dislocated? How do you go about making that fit, or do you, or should you?

Mr. FOSTER. Our greatest tool that we have within the State of Indiana is, of course, our newspaper. I mentioned that earlier. In addition to that, on this particular topic, we are always trying to provide speech material to our officers across the State. We have 423 posts here in Indiana, an executive committee that has about 60 people on it, so we provide speech materials to each one of those fellows or women, so about 500 people receive what we call a "focus sheet" which gives them a little something they can talk about when they're making a public appearance or they're visiting a post, whatever else. Then, finally, we try to get word down to the post service officer. This is the fellow who is living in the small community. He has received a little bit of training. He knows how to dig through a book and get an answer, and if he can't find the answer, he can call our full-time professional staff that we have down at the Federal building in Indianapolis. We try to alert them to the

fact that, if they know veterans who are seeking training or employment, that this program is alive and well.

There isn't much of a marriage between the Legion, the State Employment Service, the VA, and the Department of Labor. We don't get together very often and sit down and say, "Hey, shall we publicize this one this month?" That just doesn't happen.

Mr. DAVIS. Should it be?

Mr. FOSTER. It certainly wouldn't hurt. I would think a few more press releases from some of the other Federal agencies probably would help immensely.

Mr. DAVIS. Suppose you took a survey of all 423 American Legion posts in Indiana and asked your members to write down their occupation, their business, whether they were an owner, whether they were an employer, a director of personnel or whatever, turn that information over to Mr. White at the Employment Service and had them all contacted on the VJTA and suggest to them the training benefits and that maybe they ought to look there first before they hire anybody off the street, including their brother-in-law; do you understand what I'm saying?

Mr. FOSTER. Certainly.

Mr. DAVIS. Do you think that would work? Do you think that would increase the awareness? Would the Legion take on some kind of an effort like that to recruit employers?

Mr. FOSTER. Once again, we would have to kind of run it through our little miniature "Congress", you know.

Mr. DAVIS. Sure, I understand.

Mr. FOSTER. We have an employment committee within the State that tries to study issues like this, to keep track of legislative efforts, whatever. I would imagine, if that proposal was made before that committee, they would put a stamp of approval on it and next fall we could get rolling on it.

Mr. DAVIS. It sounds exciting, doesn't it? I think that would work. I think you would find that your generation from your own service groups in every town in Indiana, with that local employer saying "By gosh, I didn't know that", and there was an opening, I think that just might work.

Mr. FOSTER. I think with any of the veterans' organizations, if you can propose something that is going to help another veteran, you're going to find the cooperation is there.

Mr. DAVIS. Mr. White, you would welcome that kind of activity, would you not?

Mr. WHITE. You'd better believe it.

As I indicated to you, I have had the opportunity to sit in both seats at my desk. I have been there as the interviewer, but I have also been there as the applicant. I know what it's like to sit in that seat.

As far as the State Employment Service, we do not have a budget for paid commercial advertising, but everything else has been available to us—massive mailings to all these service organizations, and we have posted notices in the various public gathering places, the libraries, the post office and this kind of thing.

The only reason that Mr. Nyenhuis hadn't heard about the program when he approached me was he got to me before I got to him. He was the first individual we placed on the program, which was

very shortly after its inception at the end of 1983. The only thing I haven't done is go out and ring doorbells. I believe in the program. I believe there is a very strong need for this program. I believe it has done a lot of good and I believe it has the potential to do even more good, especially in an area that is as economically depressed as this one.

Mr. DAVIS. Thank you, sir.

Mr. WHITE. Thank you.

Mr. DOWDY. Mr. Evans.

Mr. EVANS. I do want to thank you for your efforts to actually publicize the program. I think there may be some things that Members of Congress can do. I occasionally do business mailings to businesses and I might do a mailing just on this specific program. That might be one way that all of us individually might be able to help out in our districts.

I do want to thank the Legion for publicizing the program. That is one of the ways the veterans learn. As Mr. Swetky indicated, a lot of veterans don't even know this program exists. So you are to be commended for what you have done.

Mr. White, I know you are testifying in your capacity separate and apart from your capacity as a VVA member, but someone gave us a statistic earlier in Galesburg, where a team leader of a vet center said that more than 60,000 veterans have either committed suicide or have died a violent death since their discharge during the Vietnam era.

Would you say, based on your experience, that our unemployment and underemployment is related to this tragedy, in your opinion?

Mr. WHITE. I don't see how you can separate the two. I don't know of any statistical gathering to where you can come up with any kind of a number, but I don't see how you can separate the depression that comes from losing a job, losing a livelihood, watching the economic rebound of that on the family, and not having it have some kind of emotional impact. It could conceivably lead some people to consider that as an alternative.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. Mr. Chairman, I do want to ask for an additional minute, if that's possible.

Mr. Foster, in your response to Congressman Davis' question, if I can paraphrase your comments, you said you have just never sat down and talked about that together. I think Congressman Davis' suggestion was an excellent suggestion.

The thought occurred to me that another mechanism by which we might do a better job publicizing the availability of the program and dealing with the problems of coordination that are inevitable with a program that is operated by two different agenices and involves so many people would be the following. Would you see any merit in some sort of an informal or formal State veterans employment council, in which the two agencies involved with this program, the major veterans groups, the business community, could all sit down together from time to time—again, maybe not in a formal way—but simply to have a regular means by which the communication could occur?

It just seems to me that getting everybody to work together and taking advantage of, for instance, the experiences of Mr. White and the good ideas that he has, would certainly be valuable to people in other parts of the State. When the Legion learns about the good things he is doing, they might be able to sell them. This sort of interchange of ideas might really result in a much more effective use of the program in our State. Whether you would call it a Veterans Employment Council or whatever, I don't know, but do you think we should give any consideration to some sort of a means by which the various parties could be brought together, obviously on a voluntary basis, to discuss these things and try to approach the whole implementation of the Veterans' Job Training Act in a more coordinated manner?

Mr. FOSTER. I think one of the problems that we were experiencing here in the State of Indiana was a complete lack of any communication. Beyond that, the veterans community was rarely, never, consulted. We woke up one day last spring when someone said "Wow, have you guys seen Senate bill 425?" None of us had. We got grey hair in about three hours when we saw it was the devolution of the Employment Services—that's what we've been calling it.

We were pleased, though, that we were able to get that amended. One of the things that was agreed to was that, on the State level, there is going to be a council that is going to do all of the employment training, polanning, employment services, whatever else. Once that council has been appointed by the Governor, we're going to have a veteran who is going to sit on that council full time. As far as I know, that is the first time in the history, of what little history I have of Indiana, where a veterans' representative has actually sat at the State level and has been consulting with and has worked with the training and employment services in the State.

So I think we have a pretty good start, but we have to wait until the first of July. That's when all of that takes effect. Perhaps 1 year from now we can come back and say it has worked great, or no, we still aren't communicating, and then it will be time to start putting together councils and whatever else.

Mr. JONTZ. Thank you.

Mr. DOWDY. I thank both of you for your appearance.

Mr. FOSTER. Thank you.

Mr. WHITE. Thank you, Mr. Chairman.

Mr. DOWDY. Our final panel consists of two representatives of the Illinois Department of Employment Security, Mr. Robert O'Reilly, who is a local veterans employment representative, and Mr. Patrick Winfrey, State Coordinator for Veterans Employment.

Mr. O'Reilly and Mr. Winfrey, we welcome both of you to this appearance before the subcommittee. We would ask that you proceed with whatever comments initially that you would like to make, and then we will ask Mr. Davis to lead off the panel with questions.

STATEMENTS OF ROBERT O'REILLY, LOCAL VETERANS EMPLOYMENT REPRESENTATIVE, ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY; AND PATRICK WINFREY, STATE COORDINATOR FOR VETERANS EMPLOYMENT, ILLINOIS DEPARTMENT OF EMPOLOYMENT SECURITY

STATEMENT OF ROBERT O'REILLY

Mr. O'REILLY. Mr. Chairman, thank you. I am the local veterans representative from the Joliet branch of the Illinois Department of Employment Security, Job Service. I have elected to defer my time to Mr. Winfrey, who is our State Coordinator and has access to state-wide information, if that's all right with you.

STATEMENT OF PATRICK A. WINFREY

Mr. WINFREY. Mr. Chairman, subcommittee members, thank you for inviting me to participate today.

I have previously submitted a written statement. I will make a couple of points and move on from there.

First of all, as we were talking about this today, it brought back to memory that in Joliet we were able to put together the first VJTA employer and veteran together in Illinois.

The Veterans' Job Training Program has been given high priority by the Illinois Department of Employment Security. Although our LVERs and DVOPs handle the main responsibility in the implementation of the program, all Job Service staff are actively involved. For example, a job developer for the Work Incentive Program, WIN for short, was responsible for developing a large VJTA contract with MacDonald's Corporation for management trainees. So, as you can see, we not only have LVERs and DVOPs as our mainstay, but veterans are provided priority service by all staff members.

The staff activities include promoting VJTA with employers and Vietnam and Korean war veterans; assisting employers in filling out applications and job training outlines for VA certification; assisting the targeted group of veterans in obtaining VA certification and job training opportunities; and solving problems that might arise between the employer and veteran during the training program.

This is an excellent program which just keeps getting better with time. Because the program involves a minimum of paperwork, it is easy to work with and is very productive. The VA provides excellent support.

The program has become well accepted by employers. Veterans like the program because it provides them with a ray of hope for their future.

As of June 10, 1987, Illinois has placed 1,438 veterans under VJTA, and Illinois employers have received over $5 million in training reimbursements.

We strongly recommend that Congress continue this program. It has proven to be one of the most effective placement tools for placing veterans. Effective programs should not be discontinued but continued and promoted to provide more opportunities for whom the program is intended to help.

Mr. Chairman, this concludes my remarks.

[The prepared statement of Patrick A. Winfrey appears at p. 119.]

Mr. DOWDY. Thank you very much, Mr. Winfrey. Without objection, the written statement of this witness, Mr. Winfrey, will be made a part of the record.

Mr. Davis.

Mr. DAVIS. Thank you very much, Mr. Chairman.

Welcome, Patrick Winfrey, and Bob. We are delighted to see both of you here, coming all the way over from Joliet, the center of the Fourth Congressional District. I sure thank you for that journey that you made today and for the job you've been doing.

As I promised, when you were both sitting out there, and I asked the two prior gentlemen, what have both of you done in an outreach program with the State chapters and State departments of the VFW, The American Legion, the AMVETS, VVA, DAV, Purple Heart—the whole nine yards—what have you done to increase awareness? We've all got to do better, there's no question about it. I think we all heard this testimony here today, so you can understand what I'm driving at.

Have we got any active involvement with Colonel Johnson in the veterans affairs and in your office and the various departments to disseminate the information and to actually solicit and generate new employers for the VJTA?

Mr. WINFREY. I'll go first.

First of all, Colonel Johnson, I'll deal with that first. We work closely with the Department of Veteran Affairs and other State agencies. Our agencies are currently preparing a veterans directory that outlines all the services, provided veterans with VJTA being included, by the State of Illinois. Community organizations and veteran organizations throughout the State are included in the directory. This listing will help all State agencies to better serve veterans.

Secondly, with veteran organizations, I personally participate at the Department of Illinois level of all major veteran organizations.

All of my LVERs and DVOPs—we have about 135 in Illinois—are encouraged to belong to at least one veteran organization. They are encouraged to attend meetings and promote the program.

Getting back to promotion, we do have news releases via the newspaper and radio and television. But I have found that and excellent way for our local LVERs ald DVOPs to promote the program is to get out face to face with employers. We are encouraged to get out and get to know our employers, get to know all of our community organizations, veteran organizations.

We also have JSECs, Job Service Employer Committees. I represent our department on the state-wide level, and the LVERs participate locally and on a regional level.

Mr. DAVIS. Do you take advantage of all the public service availablity through the FCC requirements and TV stations and radio stations for the kind of activity we're talking about?

Mr. WINFREY. Yes, as best we can. We have a marketing division in the Department of Employment Security. They are responsible for getting releases out to the news media. In fact, we were think-

ing about asking the Governor to promote VJTA via television, perhaps doing a veterans holiday.

Mr. DAVIS. Bob, do you have anything to add to that?

Mr. O'REILLY. No. From the local office level, what I do, primarily my thrust is towards the employers, or it has been, promoting every chance I get to go field visiting and make all the employers aware. We bring literature, the fliers and the folders and pamphlets and try to get them as interested and as involved as possible. But you know what the area is like, too. It's running in sand somewhat. But that's only because of the Rust Belt. They have the same problem here in northern Indiana that we have.

Mr. DAVIS. I have no further questions. Thank you, Mr. Chairman.

Thank you, gentlemen, for coming in.

Mr. DOWDY. Mr. Jontz.

Mr. JONTZ. I have no questions. Again I want to thank the wtnesses for their statements this afternoon.

Mr. DOWDY. Mr. Evans?

Mr. EVANS. No questions.

Mr. DOWDY. One question I want to ask. What type of audit, and who would perform the audit, is there of an individual employer during the 9-month training period, to follow up and make sure that the employer is meeting his obligation?

Mr. O'REILLY. That's my job. That's the local office representative's job. When we write a contract and get a veteran hired, we do periodic follow-ups. We will contact the employer to find out if the veteran is, in fact, performing as he would like him or her to perform. At the same time we will contact the employee to find out if, in fact, he is receiving the training that the outline calls for. This is done—

Mr. DOWDY. On the financial arrangement between the employer and the employee, is the audit of that your responsibility?

Mr. O'REILLY. The only thing that we would do as a local office representative would be to find out if there are any problems with the employer receiving his payment on time. Other than that, no, I haven't run up against anyone getting too much money, no.

Mr. WINFREY. Mr. Chairman, if I might add, what we do on our on-site reviews, is assist in solving any problems. However, if we find a monetary problem, we refer it to the VA. They are in charge of payments.

Mr. DOWDY. We want to thank both of you for your testimony. As we noted earlier, Mr Winfrey, your prepared testimony will be made a part of the record of this proceeding. We thank you.

Mr. O'REILLY. Thank you for having us.

Mr. DOWDY. Are there any witnesses whose names I called earlier who, for one reason or another, were not present at that time who are not present? All right. Could you come forward, please, sir.

What is your name, please?

Mr. TAYLOR. William D. Taylor, Jr.

Mr. DOWDY. All right. Mr. Taylor, are you an employer or employee under the program?

Mr. TAYLOR. I am currently a past commander of the Military Order of the Purple Heart, Chapter 252.

Mr. DOWDY. I see. We're glad to have you with us. Do you have prepared testimony?

STATEMENT OF WILLIAM D. TAYLOR, JR., PAST COMMANDER, MILITARY ORDER OF THE PURPLE HEART, CHAPTER 252

Mr. TAYLOR. Yes. As a matter of fact, when I received the letter, I was somewhat dumfounded because I hadn't heard of the program before. So what I did was an investigation in order to find out exactly what the program was, especially in my area.

I happen to be an insurance broker in Illinois and Indiana so I have access to companies that might—I would like to find out whether they were aware of the program. Also, I'm an active member of the Purple Heart. As with other veterans' organizations, I participate at the Vietnam Vet Center, so I feel I am a pretty active and concerned citizen and patriot.

What I did find out is that the program is working, from the people who are using it, at the Vietnam Vet Center in the Chicago Heights area. It seems to be very successful with minimal paperwork. So I was really glad to hear about that.

But when I contacted businesses, small businesses, in the community, most of them—I would say about 50 percent of them heard of it. The other 50 percent didn't and we're aware of it. When I made them aware of it, they were concerned about getting more information on how they could get a Korean or Vietnam veteran into their organization.

One thing I do know is that there's not a lot of publicity about it. Being active in veterans affairs and not being aware of it really embarrassed me, so that's why I did some investigation.

From what I understand, when I talked to some of the employers that were aware of it, they had told me they thought the program was over with. In one instance I had contacted a mayor of one of the communities in the Illinois area and he was aware of it, but again, he thought it was over with. And he was a veteran himself. I do know it's working and I know the ones that have been able to take advantage of it are very happy with it.

Being a member of a local chapter, what you find out about local chapters is that not everybody participates in the activities of an organization—The American Legion, the VFW, all of them. Therefore, you may have a membership of 200 or 300 people and possibly 20 or 25 people actually participate in getting the word out to the people. There is a lot of problems in the local area getting the word around, and if there was some sort of public service announcements brought out periodically, or press releases, the veteran organizations could possibly publicize it even more, and civil organizations and civic groups. If there was a way to get that word out, I'm sure there are a lot of guys that would take advantage of the program.

That's basically what I had to say.

Mr. DOWDY. Thank you very much.

Where do you live, Mr. Taylor?

Mr. TAYLOR. I currently live in Hammond, IN.

Mr. DOWDY. Thank you very much.

The two problems that you have pointed out, we thank you for bringing them to our attention. We are aware of the fact that there has been insufficient funding and there has not been continuity or regularity of funding. Whether you put the blame on the Congress or on the administration, wherever, the money has not always been there when the employers and employees were certified eligible for the program.

We have been trying our best in the Congress, as I told the folks earlier, to see that it is adequately funded and that the funds are there for a length of time so that employers and employees can depend on the program. We have bipartisan support in the Congress. As I said earlier, the ranking Republican member of our subcommittee was the one who offered the amendment to make it a 3-year program instead of a 2-year program.

The problem is not with the Congress. The problem is within the administration. About one-half of the funds that we in Congress have earmarked for the program have actually been spent.

That brings me to the next point. As much as I personally think the program is a great program, as you and others have indicated, if we get out and publicize it too much more, and too many more employers know about it than what know about it now, then Congress is going to have to be prepared to put up a whole lot more money than what we're now doing because we are now funding at about the level of participation that we have in terms of employers who are aware of the program.

Mr. Jontz.

Mr. JONTZ. I have no questions. I want to thank you for your statement this afternoon. I am very pleased that you could attend the hearing.

Mr. DOWDY. Mr. Davis.

Mr. DAVIS. No questions. Thank you, Mr. Taylor.

Mr. DOWDY. Mr. Evans?

Mr. EVANS. No questions.

Mr. DOWDY. Thank you very much, Mr. Taylor.

I thank all of you for your attendance here in Mr. Jontz' district. If anybody has any problems, I have found that Mr. Jontz and his staff are very capable. If you're ever driving down to New Orleans, you will pass through my district. I know most of the highway patrolmen down there, so if you're caught speeding, I'll step in and try to help you.

Thank you very much.

[Whereupon, at 5:30 p.m., the subcommittee was adjourned.]

APPENDIX

OPENING STATEMENT OF HONORABLE WAYNE DOWDY, CHAIRMAN

I AM PLEASED TO BE HOLDING THIS HEARING IN GALESBURG WHICH WAS REQUESTED BY MY GOOD FRIEND AND MEMBER OF THE SUBCOMMITTEE, LANE EVANS. LANE IS A VERY COMMITTED, SUPPORTIVE MEMBER OF THE SUBCOMMITTEE AND HAS BEEN CRUCIAL IN THE DEVELOPMENT OF THE VETERANS' JOB TRAINING ACT, THE PROGRAM WE ARE REVIEWING THIS MORNING. THERE IS NO MEMBER OF THE VETERANS' AFFAIRS COMMITTEE, IN FACT, NO MEMBER OF THE HOUSE OF REPRESENTATIVES, WHO IS A MORE EFFECTIVE ADVOCATE FOR OUR NATION'S VETERANS THAN LANE EVANS. I AM GRATEFUL FOR HIS INVITATION TO COME TO GALESBURG TODAY.

THROUGH THE YEARS, CONGRESS HAS APPROVED A COMPREHENSIVE PROGRAM OF RIGHTS AND BENEFITS FOR VETERANS IN RECOGNITION OF THEIR SPECIAL CONTRIBUTION TO OUR NATION. CONGRESSIONAL RESPONSIBILITY FOR THESE PROGRAMS, HOWEVER, DOES NOT END WHEN A BILL IS SIGNED INTO LAW. IT IS THE RESPONSIBILITY OF THE MEMBERS OF THE COMMITTEE ON VETERANS' AFFAIRS TO ENSURE THAT PROGRAMS ARE IMPLEMENTED AND ADMINISTERED BY THE AGENCIES INVOLVED AS INTENDED BY THE CONGRESS. THIS MONITORING PROCESS IS CARRIED OUT AT OVERSIGHT HEARINGS HELD BOTH IN WASHINGTON, D.C., AND IN THE FIELD. FIELD HEARINGS ARE PARTICULARLY IMPORTANT BECAUSE THEY PROVIDE US WITH THE OPPORTUNITY TO HEAR FROM THE PEOPLE WHO WORK WITH THESE PROGRAMS AT THE "GRASS ROOTS" LEVEL.

TODAY, WE WILL REVIEW THE PROGRAM OF ON-THE-JOB TRAINING FOR VIETNAM ERA AND KOREAN CONFLICT VETERANS ESTABLISHED UNDER THE VETERANS' JOB TRAINING ACT, PUBLIC LAW 98-77. THIS PROGRAM WAS DEVELOPED IN RESPONSE TO THE

SEVERE EMPLOYMENT DIFFICULTIES EXPERIENCED BY THESE VETERANS. THE HARSH RECESSION AND FUNDAMENTAL STRUCTURAL CHANGES IN THE AMERICAN ECONOMY EXACERBATED PRE-EXISTING EMPLOYMENT PROBLEMS AND CONTRIBUTED TO THE HIGHEST UNEMPLOYMENT RATE EVER RECORDED FOR VIETNAM ERA VETERANS. AS THE ECONOMY IMPROVED, MANY VETERANS WERE ABLE TO RE-ESTABLISH THEMSELVES IN THE WORK FORCE. TOO MANY OTHERS, HOWEVER, AS SHOWN BY RECENT DEPARTMENT OF LABOR STATISTICS, ARE STILL UNEMPLOYED. IN MARCH OF THIS YEAR, OVER 406,000 VIETNAM ERA VETERANS WERE LOOKING FOR WORK.

VJTA, AS THE PROGRAM IS POPULARLY KNOWN, HAS PROVEN TO BE VERY EFFECTIVE AND IS WIDELY ACCEPTED BY BOTH VETERANS AND EMPLOYERS. AS OF MAY 30, 1987, NEARLY 49,000 VETERANS NATIONWIDE HAD BEEN TRAINED UNDER VJTA.

ALTHOUGH VJTA IS AN EXCELLENT PROGRAM, WE BELIEVE IT CAN BE EVEN BETTER. LAST WEEK, THE VETERANS' AFFAIRS COMMITTEE APPROVED LEGISLATION, H.R. 1504, WHICH WAS DEVELOPED BY LANE, JIM, AND THE OTHER MEMBERS OF THE SUBCOMMITTEE. THIS BILL, WHICH I EXPECT WILL

BE VOTED ON BY THE FULL HOUSE NEXT WEEK, WOULD AMEND THE VETERANS' JOB TRAINING ACT AS FOLLOWS:

1. IT WOULD EXTEND THE DEADLINE BY WHICH A VETERAN MUST APPLY TO PARTICIPATE IN VJTA FROM JULY 2, 1987, TO SEPTEMBER 30, 1990;

2. IT WOULD EXTEND THE DEADLINE BY WHICH A VETERAN PARTICIPANT IN VJTA MUST BE ENROLLED IN A JOB TRAINING PROGRAM FROM JANUARY 2, 1988, TO MARCH 30, 1991;

3. H.R. 1504 WOULD AUTHORIZE $30 MILLION FOR FISCAL YEAR 1987, AND $60 MILLION FOR FISCAL YEARS 1988, 1989, AND 1990;

4. THE BILL WOULD SET ASIDE FIVE PERCENT OF THE FUNDS APPROPRIATED FOR VJTA TO ESTABLISH A PROGRAM OF EMPLOYABILITY TRAINING AND COUNSELING FOR VJTA PARTICIPANTS;

5. AND, FINALLY, H.R. 1504 WOULD REQUIRE THE VA AND THE DEPARTMENT OF LABOR TO DO AN IN-DEPTH ANALYSIS OF VJTA SO THAT WE WILL HAVE MORE INFORMATION REGARDING THOSE WHO ARE BEING SERVED BY THIS PROGRAM AND BE BETTER ABLE TO ASSESS HOW EFFECTIVELY THESE VETERANS ARE BEING SERVED.

WE LOOK FORWARD TO HEARING YOUR COMMENTS ON THESE PROVISIONS AND OTHER ASPECTS OF VJTA. YOUR FIRST-HAND EXPERIENCE WITH THIS PROGRAM WILL HELP US FURTHER EVALUATE THE STRENGTHS AND WEAKNESSES OF VJTA AND ASSIST US IN DETERMINING WHAT ADDITIONAL CHANGES, IF ANY, WOULD IMPROVE THIS PROGRAM.

I UNDERSTAND THAT SOME OF YOU HAVE WRITTEN STATEMENTS. THOSE STATEMENTS WILL APPEAR IN THE OFFICIAL HEARING RECORD IN THEIR ENTIRETY. WE WOULD GREATLY APPRECIATE IT IF, IN THE INTEREST OF TIME, ALL OF YOU WOULD LIMIT YOUR OPENING REMARKS TO FIVE MINUTES. THIS WILL GIVE US THE OPPORTUNITY TO FOLLOW UP YOUR STATEMENTS WITH QUESTIONS.

OPENING REMARKS OF CONGRESSMAN LANE EVANS
AT FIELD HEARING OF VETERANS' AFFAIRS SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT
GALESBURG, ILLINOIS
June 15, 1987

I want to thank everyone for coming to today's hearing. I am always pleased to hold hearings like this in our area. It is another way we as Congressman can learn about the problems people face and how we can improve the way our government operates and make sure it is working for citizens.

I am particularly grateful to Congressman Wayne Dowdy, Chairman of the Subcommittee on Education, Training and Employment for honoring my request for this field hearing. Cong essman Dowdy is the author of legislation that would continue the Veterans Job Training Act and authorize badly needed additional funding. It has been a pleasure to work with Wayne on the Veterans' Committee and happy that he has made the trip with us.

I am also happy to welcome Congressman Jim Jontz of Indiana. Both are able and dedicated legislators, concerned about the needs and veterans.

The subject of today's hearing is vitally important to our area and our country. As everyone is aware, the problems of unemployment continue to batter our towns and cities. In many areas, the numbers of those out of work are high and not getting better. Even where there has been progress, many people are still unable to gain employment, or must take lower-paying jobs that fail to match their skills or abilities. This is true not only in

the 17th District, but around the country. Thirty-one states are still battling the recession.

And as we are also aware, the "official" statistics fail to tell the whole story and severely understate our local problem. Not counted are the many who stopped looking for work, or exhausted their benefits, or must work part-time because full-time jobs are simply not available.

Behind these statistics are people -- our friends and neighbors -- who suffer daily as they are unable to achieve their hopes and dreams. It is a human tragedy that is too often repeated.

Many of our citizens who suffer from joblessness are veterans. The people who fought our wars and defended our freedoms now face continued battles to gain a good job, earn a good living and provide for their families. A number of them confront problems similar to the rest of our citizens -- a huge trade imbalance that closes factories and turns people out of work through no fault of their own, our continuing agricultural crisis, and a punishing budget deficit created through tax cuts to the wealthy at the expense of the average citizen.

As we work to cure these problems, we must also ensure that the veterans who fought and defended this country are not in effect penalized as a result of sacrifices. At the very least, they deserve a chance to work and to be productive.

The Veterans Job Training Act is an important tool that can help our nation's military veterans leave the ranks of the unemployed. Many people already consider the VJTA a successful and important program. I think it is an excellent example of how

government and business can form a partnership to promote and create employment opportunities. Here in Illinois, 29,000 veterans have been approved to participate in the program, and nearly 1,500 veterans have been placed in job training.

But I think we can do more to make this program effective and to enlist greater participation by employers. Although veterans have indicated a strong interest in the program, we on the Subcommittee are concerned that the placement rate is not higher.

We will have four panels of individuals who will talk about their experiences with the program. From their comments and testimony, I hope we can come away with suggestions and strategies to make sure this program delivers job opportunities for our citizens, our veterans and our district.

CITY OF SILVIS

1032 FIRST AVENUE

SILVIS, ILLINOIS

61282

June 10, 1987

The Honorable Wayne Dowdy
Chairman, Sub Committee on
Education, Training and Unemployment
125 East Main St.
Galesburg, IL 61401

Dear Representative Dowdy,

During the summer of 1984 the Veteran's Advisor at the State of Illinois Job Service in Moline contacted the City of Silvis and informed us of the Veteran's Job Training Act. The City had a need for an additional employee in the Water and Sewer Department, so with the assistance of the Veteran's Advisor we developed a training program, with the intention of hiring a new employee under the VJTA. We subsequently received approval of this program by the Veteran's Administration.

In December of 1984 we hired a Viet Nam Veteran as a full time trainee, trained him in accordance with the VJTA and kept him on after the nine month Training Program as a permanent employee of the City of Silvis, receiving full fringe benefits.

The veteran we hired as a trainee in December of 1984 had been employed temporarily by the City since June of that year. We had hired him at minimum wage, with no benefits, to perform manual labor until fall when he would be terminated. In the past the City has hired temporary summer help and always terminated them in the fall.

The problem we encountered with the VJTA began with an audit of the City's involvement in the program by the Veteran's Administration. Shortly after the audit, we were notified by the Veteran's Administration that discrepencies had been found in the veteran's employment with the City and, after a hearing in Chicago, the V.A. determined that the veteran and the City were liable for the overpayment of the entire amount the Veteran's Administration had contributed to the veteran's wages.

-continued

CITY OF SILVIS

1032 FIRST AVENUE

SILVIS, ILLINOIS

61282

The City of Silvis was never informed by the Veteran's Advisor at the Illinois Job Service nor the Veteran's Administration that the prospective veteran to be hired under the VJTA had to be unemployed 15 of the 20 weeks prior to employment by the City. Also, in reviewing all the information and literature given to us concerning the VJTA, no where is it stated that the prospective employee must be unemployed. The information states that the City can hire any eligible veteran and the veteran we hired presented us with a certificate of eligibility. Evidently the veteran was also not made aware he was required to be unemployed for a 15 week period to be eligible for the program.

We feel that information supplied to the veteran and employer should explain in very clear terms that in order for the veteran to be eligible for employment under the VJTA he must be unemployed for 15 of the preceeding 20 weeks. Also, we feel that this should be made unmistakably clear to the State Job Service. Finally, it would seem some distinction should be made between permanent and temporary employment in regards to the 20 week period preceeding employment under the VJTA. When we hired the veteran in June for temporary summer help we had absolutely no intention of keeping him on past fall; because of the VJTA and the satisfactory work of the employee, he was kept on and ultimately hired permanently.

It seems that the purpose of the program would have been defeated if to hire the veteran under the VJTA the City would have first been required to lay him off from temporary employment for 15 weeks just to make him eligible for employment.

The Veteran's Job Training Act is an admirable program both for the veteran and his employer and we feel that with the clarification and changes to it that are mentioned in this letter it would become an even better program.

Sincerely,

Stacy E King

Stacy King,
Mayor of Silvis

SK:lb

PAUL SIMON
ILLINOIS

COMMITTEES
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET

United States Senate
WASHINGTON, DC 20510

TESTIMONY OF UNITED STATES SENATOR PAUL SIMON

THE VETERANS' JOBS TRAINING ACT

MONDAY, JUNE 15, 1987

GALESBURG, ILLINOIS

Mr. Chairman, it is quite an honor to testfy at this field hearing today. I would like to commend Congressman Wayne Dowdy on his sponsorship of H.R. 1504. I would also like to recognize my colleague and good friend, Congressman Lane Evans for his continuing support of veterans issues. It is great to be here. And it certainly provides a wonderful opportunity to gather information from those directly involved in veterans issues.

I am totally committed to programs that allow our veterans to live productive and dignified lives. The United States government owes this to our veterans who have risked all in the defense of our country. This particular bill, H.R. 1504, provides job training for Korean conflict and Vietnam conflict veterans. These brave men and women have more than earned their right to a government-sponsored jobs program.

H.R. 1504 addresses vital issues confronting unemployed Illinois veterans as well as their brother and sisters around the

230 S. Dearborn
Kluczynski Bldg., 38th Floor
Chicago, IL 60604
312/353-4952

3 West Old Capitol Plaza
Suite 1
Springfield, IL 62701
217/492-4960

8787 State St.
Suite 212
East St. Louis, IL 62203
618/398-7707

250 West Cherry
Room 115-B
Carbondale, IL 62901
618/457-3863

nation. Among other necessary reforms, H.R. 1504 amends the Veterans' Job Training Act (VJTA) to extend the application period for job training and lengthens the period in which veterans can begin their jobs training. In addition, H.R. 1504 places veterans' job training on firm financial ground through fiscal year 1991 prolonging the effective lifetime of the Veterans' Job Training Act.

Together, the provisions of this bill will create a more cogent veterans jobs training program, making job training more accessible to a greater number of unemployed veterans.

However, as every member of this Committee certainly understands, merely throwing money at a problem rarely solves it. The Veterans Job Training Act requires more than financial remedies to help put unemployed veterans to work.

There are many gaps in the present program that need to be tightened up. The employee placement rate in the VJTA concerns me. As of March 9, 1987, there were 70,945 employer applications that were approved, 66,627 job slots appeared, and 47,279 veterans placed in jobs. The question that I ask myself is: why can't more these job slots be filled? There are certainly enough veterans who have applied to fill these positions. What is going wrong in the VJTA that makes it impossible to fill these positions?

In light of these discouraging figures, I heartily support the amendments that are designed to make the current Veterans Job Training Act more effective.

This reform can only benefit the VJTA here in Illinois and throughout the country. By examining the structure of effective training programs, we can apply the formulas that contribute to their success to the Illinois VJTA. We can learn from past mistakes to work toward sound and productive veterans training programs in the future.

One lesson past experience teaches is that job training cannot work unless trainees complete the program. Records show that 60% of the participants in the VJTA drop out before the completion of their training. Of this 60%, 25% accept other jobs, 25% are dissatisfied with their training, and another 30 to 40% are laid off or fired. This high drop-out rate is counter-productive and costs money that could be spent in better ways.

H.R. 1504 provides an amendment that guarantees 5% of the authorized fund going to the VJTA be given directly to the counseling services. With improved counseling services, I would hope that the exceedingly high drop-out rate would be minimized.

Through proper counseling, veterans will get the help they need during their training to insure that they will remain

satisfied and productive. Once again, this can only strengthen and prolong the life of the Job Training program.

Another facet of the program which needs strengthening is employer interest in the Veterans Job Training Act. The program needs to be designed to provide an incentive to employers to provide jobs for veterans.

I understand that after the last field hearing on the Veterans' Job Training Act, a greater interest was sparked in employers. Due to that hearing, there was an increase in emplyer applications. I hope that this hearing will have even more positive results.

In these times of soaring federal budget deficits and tight fiscal constraints, Congress must demand that the taxpayers get a fair return on their investment. Like other areas of the mid-west, Central Illinois has suffered over the past few years with unemployment and loss of businesses. Many of the unemployed are veterans. With conditions like these, additional expenditures for the Veterans' Job Training Act, directed in an efficient manner designed to maximize veterans participation in and completion of job training makes sense. Not only does the country gain from having productive workers but the program provides more than a fair return for the selfless sacrifice to their country.

ALEXIS MOTOR COMPANY
110 East Broadway
ALEXIS, ILLINOIS 61412
Telephone 309-482-5555

June 2, 1987

Congressman Lane Evans
125 East Main Street
Galesburg, Illinois 61401

Dear Sir:

This is to inform you that we have a mechanic working for us under the Veterans Job Training Program, PL-98-77, This program has been very satisfactory and we are definitely in favor of continuing it. It has proved very helpful for us as well as the veteran we employed.

Sincerely,

Richard L. Johnson
Alexis Motor Company

RLJ:jl

Mach 1 Boats by **Felt Industries, Inc.**

12 June 1987

Congressman Lane Evans
125 East Main Street
Galesburg, IL 61401

Dear Congressman Evans:

This letter is additional testimony which is supplemental to the field hearing of House Veteran's Affairs hearing scheduled at Galesburg Holiday Inn on 15 June 1987.

We want to emphasize the importance of this program to the economy of this area. As you saw during your recent visit to our plant, we are a new company in this area and have grown in five years from 13 employees to 130. Programs such as EVJTA have been very important to our growth, not only from the standpoint of helping our business grow, but also helping put veteran's to work when unemployment is high.

Sincerely,

CHARLES D. POWELL
Vice President / Finance

CDP/mcp
cc: Mr. Jerry Kessel
Job Service

600 West Tenth Avenue ★ Post Office Box 427 ★ Monmouth, Illinois 61462-0427 ★ 309/734-2175

Mach 1 Boats by Felt Industries, Inc.

12 June 1987

Congressman Lane Evans
125 East Main Street
Galesburg, IL 61401

Dear Congressman Evans:

I'm writing this letter as an employee of Felt Industries, Inc., Monmouth, Illinois. I started to work here in November 1986 under the EVJTA program. I'd like to relate to you my appreciation for this program in helping me find and keep employment with my company.

I think this program is very beneficial to this area where jobs are scarce. I like my work, it has been full-time, and I appreciate the veterans program which helped put me back to work.

Sincerely,

DAVID P. CRISP, Employee
FELT INDUSTRIES, INC.

DPC/mcp

600 West Tenth Avenue ★ Post Office Box 427 ★ Monmouth, Illinois 61462-0427 ★ 309/734-2175

JUN 13 1987

HILLCREST LIQUOR

1043 S. Oakwood Ave.
Geneseo, Illinois 61254

Phone
309-944-4697

June 11, 1987

Congressman Lane Evans
3919 16th Street
Moline, Il. 61265

Congressman Lane Evans:

I am sending you this letter to express my appreciation for the Veterans Administrations Job Training Program. I am proof of the fact their program works. If I hadn't had the opportunity to include the accessibility of this program in my resume, I am sure it would not have been as appealing to my present employer. And I might not be the Store Manager of Hillcrest Liquor for G.M.K. Enterprises.

I had previously been employed as a warehouse manager and assistant store manager in a similar retail business. But thanks to the Veterans Administrations Job Training Program, I was given the opportunity to take a step up in my career field.

Sincerely Thankful,

Gerald L. Wilson

glw/ljr

STATEMENT OF SAMUEL L. PARKS

Mr. Chairman, and Members of the Sub-Committee:

Thank you for the opportunity to appear before you today to discuss the "Veterans' Job Training Program." As you are aware, Mr. Chairman, the implementation and administration of this program was a cooperative effort of the Department of Labor and the Veteran's Administration. Since its inception in December, 1983, the program has had the highest priority among all of our program activities. It was aimed at reducing long-term unemployment among veterans of the Korean Conflict and Vietnam Era, by reimbursing employers 50 percent of the starting wages, up to a maximum of $10,000 for each veteran hired for a permanent job requiring significant training.

Responsibility:

The Veterans Administration was responsibile for certifying the eligibility of veterans, approval of employer training programs, and making payments to employers. The Department of Labor was given the responsibility for job development and job placement activities. The Department of Labor also accepted primary responsibility for employer outreach and promoting the program through public information. The responsibility for performing outreach and job generating activites was performed through our network of Local Veteran Employment Representatives and Disabled Veteran Outreach Program Specialist. This network of special program staff are funded through the DOL and are mandated

by Title 38, U.S.C. to generate, develop and maintain jobs and job training initiatives to maximize employment opportunities for veterans. They are employees of the Illinois Department of Employment Security (IDES), housed in Illinois Local Job Service Offices. The success of Illinois' VJT program is largely due to the team effort on the part of the entire local office job service staff, at each local office, working together to promote this program on behalf of the targeted veteran population in Illinois.

Mr. Chairman, according to the latest data provided to us from the Veterans' Administration as of Friday, June 12, 1987, 1,438 veterans have entered training programs as a result of the program.

Mr. Chairman, this concludes my openining remarks.

PREPARED STATEMENT OF GERALD L. KESSEL, LOCAL VETERANS EMPLOYMENT REPRESENTATIVE, ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY

Title 38 of the U.S. Code provides in part that, "As long as unemployment and underemployment continue as serious problems among Disabled Veterans and Vietnam-Era Veterans, alleviating unemployment and underemployment among such veterans is a national responsibility." To meet this responsibility, Congress enacted Public Law 98-77, the Veterans Job Training Act (VJTA) in August, 1983.

The purpose of this Act was to address the problem of severe and continuing unemployment among veterans by providing financial incentives to encourage employers to hire and train certain wartime veterans for stable and permanent positions. Funding for new on-the-job training (OJT) contracts under this program has slowly been curtailed and eventually stopped. I am not sure if it was stopped to balance the budget or because the unemployment rate is dropping.

I strongly believe in reducing the national deficit but I think the best way to achieve this is through a highly-skilled work force that can out-class the foreign competition.

Since this program was first enacted in 1983, the unemployment rate has dropped 3.4% nationally, 3.2% in Illinois, and 3.0% in Galesburg, according to our local

Illinois Research Analyst: Unemployment	1983	1984	1985	1986	As of April 1987	Percentage Point Decrease
National	9.6%	7.5%	7.3%	7.0%	6.2%	-3.4%
Illinois	11.4%	9.1%	9.0%	8.2%	8.2%	-3.2%
Galesburg	15.1%	12.8%	15.7%	13.0%	12.1%	-3.0%

This drop in the unemployment rate can be very misleading. The number of veterans seeking work through our Illinois Department of Employment Security (IDES) offices rose 14% from 1984 to 1986 at the same time the Illinois unemployment rate was dropping. The number of Vietnam-era veterans seeking work increased 20% and the number of Disabled Veterans increased 28%. In addition these figures do not include an estimated tens of thousands of Illinois veterans who have given up seeking work or who have taken jobs below their skill levels.

	P.Y. ending 6/30/84	P.Y. ending 6/30/85	P.Y. ending 6/30/86	% Change	P.Y. ending 4/87*
Total Vets. 22 years of age or older	100,362	112,131	114,647	+14%	100,412
Vietnam Vets	38,893	46,460	46,734	+20%	41,500
Disabled Vets	2,927	3,728	3,746	+28%	3,477

*When May and June, 1987, are included, these figures will closely match the '85-'86 figures.

In the Galesburg area we have had similar experiences. In 1983 with 15.1% unemployment, we had 2,000 veterans registered at our office. In 1986 when the unemployment

rate had dropped to 13%, we had over 3,000 veterans registered. Between 1983 and 1986, we placed over 1,600 veterans in full-time positions, over 600 in part-time positions, 72 in jobs under the Veterans Job Training Act (VJTA), 50 in Veterans Administration (VA) work-study, and 30 into V.A. Vocational Rehabilitation (VOCREHAB). By working closely with the Job Training Partnership Act (JTPA) office, another 500 veterans were enrolled in classroom training and OJT programs. At the end of this fiscal year; i.e., June 30, 1987, we will still have over 2,500 veterans registered for work. (The attached copy of Galesburg's 5/31/87 Veterans Performance Report shows veterans available 11 months into this program year.)

American Legion National Commander James P. Dean in his June, 1986, service organization magazine sums it up like this:

> "The reasons are complex, but a major factor fueling the fire of unemployment is the economic transition American is experiencing. As the nation switches from heavy industry to high technology and service-related employment, veterans are being displaced from their middle income industrial jobs. And, because they lack certain skills or education, they are ending up with lower-income jobs. This has resulted in evictions and home mortgage defaults, as well as family break-ups."

This is exactly the case here in Congressman Evans' district. In the past few years hundreds of veterans have lost their manufacturing jobs with Outboard Marine, Farmall, International Harvester, J.I. Case, Caterpillar, John Deere, etc. Many of these workers have taken a drop

in pay from over $11.00 per hour with excellent benefits to under $5.00 per hour with few or no benefits. Many are still unemployed and others are on Welfare. We must do everything we can to re-train these veterans.

One thing we can do that will have an immediate effect is to extend the VJT Program. This is an excellent program which just keeps getting better with time. It is eary to work with and is very productive. The Veterans Administration Regional Office in Chicago gives us excellent support in administering this program. The program has become well accepted by employers and is in demand. Veterans like the program because it gives them a ray of hope for their futures.

It is recommended that Congress re-fund this program on a three-year basis and provide for a re-negotiable clause six (6) months before the expiration to eliminate the annual "on again - off again" funding.

It is further recommended that the program be modified to include all veterans, especially newly-released veterans. If newly-released veterans are brought into this program, Congress might want to consider exempting their military employment similar to military wages in Section 2013, Chapter 42, Title 38, USC, so they can qualify as soon as possible.

Congress's attempts to make Chapter 30, the new G.I. Bill, permanent would be a giant step forward in helping newly released veterans. These veterans are having extreme difficulty breaking into the tight labor market. The annual number of "recently released" veterans registered for work in Galesburg jumped 173% from 1984 to 1986 (83 to 226). (Recently Released means those veterans who have been discharged within the past 12 months.)

The following will not be read during the hearing due to time allocations, but is pertinent to my reasoning for recommending that "newly released" veterans be brought into the VJT Program. (This is the section in bold type.)

These veterans also face another problem. Their civilian peer group is eligible for 26 weeks of unemployment when they are laid-off and they receive their first check in three weeks. Newly released veterans only get 13 weeks unemployment insurance and they have to wait seven weeks to receive their first check. Public Law 97-362 provides that an ex-service person claimant shall not be entitled to benefits or credit for a noncompensable waiting week before the fifth week beginning after the week in which the claimant was discharged or released from service. It takes two more weeks after that to get the first check. This may be an automatic offset for cumulative leave.

Many veterans the past few years have been forced to take their leave before discharge. In this case it could be considered a penalty. One of the purposes for unemployment compensation, as I understand it, was to provide a laid-off worker sufficient time and money to look for similar work and wages without being forced into underemployment.

This is not the case with newly released veterans as they are either forced back into the military, into underemployment, or on welfare. Like most of us, they can't survive for seven weeks without income. Their peer group is familiar with the community, has an established residence, and recent work experience. The veteran in most cases has little if any savings, must find a place to live, and is not attached to the labor market.

If the government didn't protest their cumulative leave payment but instead exempted it from disqualifying income for unemployment purposes, it would be in the veterans' best interests. If these veterans were given 26 weeks unemployment instead of 13 weeks, it would give them a better chance of finding meaningful employment.

Another consideration for providing re-training for the large number of veteran unemployed industrial workers would be an extension of the Vietnam Veteran G.I. Bill,

Chapter 34. Several hundred Vietnam-Era Veterans in our area did not use their G.I. Bill because they found good factory jobs as soon as they came home from the service. Now, when they need the G.I. Bill, it is not available to them. If Chapter 34 could be extended until 12/31/91 and the 10-year "usage" or "eligibility" period waived for veterans who were employed during their eligiblity period, the results would far out-weigh the cost.

Many of these veterans would then be eligible for the V.A. Work-Study Program as Veteran Resource Persons while going to college. This would help them meet their family financial obligations and help other unemployed veterans at the same time.

The V.A. Work-Study Program pays these veterans $3.35 per hour tax-free income for 250 hours per semester three times per year, which adds up to approximately $200 per month.

We have written 91 contracts for 51 veterans under this program the past three years and placed most of them in full-time work. Fifteen of them were disabled veterans. Three were Chapter 30 or 32 Veterans.

Now that Congress has brought the two most recent G.I. Bills, Chapter 30 and 32, in under the V.A. Work-Study Program, we will have a continuous supply of Work-Study students to help us service our unemployed veterans. I tell G.I. Bill-eligible veterans if they go to college under the G.I. Bill, I will do everything I can to find them a V.A. Work-Study spot.

All of these things will help, but we must figure out new ways tc get more veterans through college and vocational schools so they can compete for professional and highly technical jobs.

Thank you.

MAJEWSKI

VETERANS PERFORMANCE
MONTHLY YEAR TO DATE
FOR THE PERIOD ENDING 05/31/97

2456
GOLESBURG

	STANDARDS NUMBER	STANDARDS PERCENT	ACTUAL NUMBER	ACTUAL PERCENT	MET
APPLICANTS AVAILABLE					
22 AND OVER			12516		
VETERANS AND ELIGIBLES			2424	19.9 %	
VIETNAM ERA VETS			1111	9.9 %	
DISABLED VETS			114	.9 %	
SPECIAL DISABLED			74	.6 %	
PLACEMENTS (OVER 3 DAYS)					
22 AND OVER			1092		
VETERANS AND ELIGIBLES	414	21.9 %	545	28.0 %	YES
VIETNAM ERA VETS	202	10.7 %	263	13.9 %	YES
DISABLED VETS	23	1.2 %	34	1.8 %	YES
FCJL PLACEMENTS					
TOTAL			542		
VIETNAM ERA VETS	59	10.7 %	91	16.8 %	YES
SPECIAL DISABLED	4	.8 %	11	2.0 %	YES
COUNSELING					
22 AND OVER			728		
VETERANS AND ELIGIBLES	159	21.9 %	588	80.8 %	YES
VIETNAM ERA VETS	78	10.7 %	261	35.9 %	YES
DISABLED VETS	9	1.2 %	72	9.9 %	YES
REFERRED TO TRAINING					
22 AND OVER			355		
VETERANS AND ELIGIBLES	78	21.9 %	355	100.0 %	YES
VIETNAM ERA VETS	38	10.7 %	171	48.2 %	YES
DISABLED VETS	4	1.2 %	30	8.5 %	YES
SOME REPORTABLE SVC					
22 AND OVER			4008		
VETERANS AND ELIGIBLES	1491	21.9 %	2103	30.9 %	YES
VIETNAM ERA VETS	728	10.7 %	949	13.9 %	YES
DISABLED VETS	82	1.2 %	99	1.5 %	YES

ADDITIONAL INFORMATION SUBMITTED BY GERALD L. KESSEL, LOCAL VETERANS EMPLOYMENT REPRESENTATIVE, ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY, GALESBURG, ILLINOIS, ON DATE OF HEARING.

Dissemination of information about VJT Program in Galesburg area.

Initial and frequent advertisements and news releases were placed with all media. On our daily radio and TV programs we had frequent discussions about the VJT Program.

We visited all area employers frequently, invited them to our office, made up sample VJT Training Programs and mailed them to selected employers, and telephoned them to follow-up. We made up the training programs and applications for all of our employers who applied for VJT positions.

We sent letters to veteran service organizations explaining the program, put posters up at their meeting places, addressed them and encouraged them to send veterans to our office. We participated in several supportive service organization and plant closing seminars to explain VJT.

We initially conducted 40 veteran seminars Oct 1983 through Feb 1984 inviting 30 veterans at a time to our offices in Galesburg, Macomb, and Monmouth, Illinois. During these two-hour seminars we explained VJT and everything else we could think of to help the veterans. Close to 1,000 veterans in our four-country area attended these seminars. Since that time we have prepared a 10-page hand-out we give to every veteran encouraging them to enroll in VJT and JTPA; to apply for VA VOCREHAB if disabled; to enroll in College and VA Work-study if GI Bill eligible, etc. We have used a large number of VA Work-study students the past three years who have helped us mail frequent mailers to our 2,000 to 3,000 veterans to keep them informed. January through April 1987 we conducted seminars each week inviting 40 veterans at a time . In August we have seminars scheduled in Macomb. We have encouraged our Korean Era and Vietnam Veterans to help us recruit VJT employers. A very high percent of all Vietnam and Korea era veterans are enrolled in the VJT program waiting for an employer to have an opening and for the VJT funding to start again. We have maintained a continuous pool of 200 to 300 certified veterans.

Employer Applications

Sixty employers in our area applied for 173 positions. Thirty-eight employers hired 72 veterans. Twenty-two employers had to cancel out on 101 positions due to a down-turn in business. For example: (1) Wilson Food had applied for 20 All-around Butchers and 20 Ham Boners. We thought this would be a continuous source of VJT hires but after hiring nine veterans and training them the plant closed down, (2) Admirals had applied for fifty Large Appliance Assemblers but after hiring and training 13 their business had a temporary slow-down and we had to cancel 37 openings. At one time during this period our unemployment reached an all-time high of 25.1%.

We were so anxious to get veterans hired under this program that we encouraged employers to apply for VJT positions in hopes that business would pick-up. Little did we know that this would inflate the figures and make it look like we had 101 positions that we couldn't fill. I can't remember one instance the past 3 years when an employer had an approved contract wherein we couldn't find a suitable veteran, when the employer was ready to hire and start a veteran.

Since the last Congressional Hearing here in Galesburg in 1985 we quit requesting approval for employers until they had a definite need and were serious about starting a veteran. In almost every case we already had a veteran lined up to start work for the employer the day the employer applied to the VA.

I feel one of the reasons VJT Program lost funding was due to a misunderstanding of the large number of unfilled VJT positions. I think most of these were situations similar to mine where we had applied for employer positions but after approval the employers were not in a position to do the actual hiring due to a bad business climate.

State of Illinois Statistics.

By the end of May 1987, 28,995 applications for VJT veterans had been received of which 10,997 were renewals or re-applications. Of these, 24,952 veteran applications have been approved (86.5%) while only 2933 applications have been denied (10.1%). Employers applications received were 2124 with 88 denied (4.1%). Employer applications approved were 2033(95.7%). Total slots approved for employers by the end of May 1987 for Illinois were 4549.

VFW of Illinois.

Last year the VFW of Illinois, invited our veteran staff and office manager to their State Convention in June, to present us with Distinguished Service Awards. At that convention the 104,000 Illiois VFW members and members from across this Nation at their National Convention whole heartedly supported the mandates provided by their members to support resolutions that have been approved providing for employment and training services beneficial to support the needs of our dedicated veterans who gave of themselves in a time of need and who should be remembered so that they may find gainful employment and training opportunities with respect and dignity.

The VFW Statewide and Nationally believe as I do that sufficient proof has been presented to the success of the VJT Program which has placed a significantly large number of Vietnam Veterans and Korean era Veterans in the full-time work force thereby benefiting their families. They and I certainly believe this program should be extended or refunded as the positive comments received from the VJT veterans placed in this program is sufficient proof of the great need to continue this program.

Statement of Donna K. Buechler

My name is Donna K. Buechler. I am a Vietnam Vet and I am the Team Leader at the Illini Vet Center in Peoria, Illinois. The Illini Vet Center is one of 189 Vet Centers established throughout the nation by Congress to provide readjustment counseling services for veterans. The need for readjustment counseling, that is, those services which help a capable and competent military person become a capable and competent civilian, is slowly being recognized as legitimate. Not every veteran needs this assistance - but we as a nation are finally realizing that that is no reason to deny those who are in need. I strongly believe in service to this country - as demonstrated by my own military service. I am convinced that a strong military stance is necessary to keep Americas free. But I also believe the country will only stay free as long as Americans can be proud of their government and thereby support the government - and I believe that pride can only come from knowing that our government plays fair. We give when she is in need and she gives when we are in need. It is each being able to trust in that give and take that makes America and Americans strong and confident. Pretty words on Veterans Day and Memorial Day are nice but they are not enough to maintain a trusting relationship. When help is needed it must be there - and the most common reason a veteran initially seeks us out is for help in finding a job. The Veterans Job Training Act provides ready assistance. There are close to 3500 occupations a veteran can be trained in through the VJTA - the paperwork has been streamlined and our job developers have been trained to help the company representative develop their program and complete the application - all of this helps move that application through the VA system quicker than any other job training program thereby getting the money out to the contractors faster - where it can be put to use sooner.

In the Peoria area alone we have an unemployment rate of over 10%. All studies done have consistently shown that Vietnam Veterans make up the largest single block of those unemployed or underemployed. That appears to mean that by us providing military service to our country that we will pay over and over again by our financial future being held in jeopardy. The VJTA helps reverse that situation by retraining that veteran when the need arises. The strongest point of that program is the veteran - a business organization is taking someone who was capable and competent in the military - someone who has been exposed to numerous classroom and on-the-job training hours while serving in the military - someone who can obviously learn -is capable of following directions -working under stress and working as a member of a team - taking all that background and all that potential and giving it direction by training the person for a specific job at a specific place of employment. The employer teaches the employee - and in return the employer gets 50% of the vets starting salary (up to $10,000) reimbursed all for investing in a vet. Vietnam Era Veterans and Korean Era Veterans are already a targeted population for affirmitive action - it seems counterproductive to consider curtailing a program intended to help them. Education and training have consistently proven to be worthwhile investments. We get back so much more than what we invest - in money alone - but what we get in strength and confidence - and pride for America is beyond our ability to measure at this time - but it is not beyond our ability to see. The difference between that veteran who comes to the center with only potential but no job and that same veteran after being given a chance with a job is stark and profound. That vet is usually a male in his mid to late 30's - married and has children. The first one is frequently unshaven - unkempt - head down - sad - angry - no hope - probably a little hung over - arguing with his wife - upset with his kids - feeling entirely as though life has passed him by and not knowing why - he did everything he thought he was suppose to do - many times including going to war and yet his life is out of control and a mess. We evaluate the persons life situation, skills, and interest - we give them some support - help them get some food on the table while finding a company to give them some training so the vets skills now match the current job market - I then see that same vet come in clean shaven - hair cut - smelling nice - smiling - head up - hopeful - no hangover - probably still arguing with his wife and upset with his kids - but life is now manageable. He has the strength to now deal with any other personal or family problems that were also present at those initial assessment sessions. Many veterans stay with us for more indepth readjustment counseling once the basic needs are met. No, a decent paying job doesn't solve all the problems - but it sure relieves a lot of stress so the individual and the family can pull their resources together and start to build a life that is both positive for them and positive for America.

STATEMENT OF BYRON COGHLAN AND TERRY S. FINCH

VETERANS' JOB TRAINING ACT

FIELD HEARING

June 15, 1987

Employment and/or job security continues to be a major problem for many Vietnam Era Veterans. Because of the decline of the agricultural industry in the last three years, many veterans who thought they had job security, now find themselves unemployed because of low seniority. Seniority, not as great as others who did not serve in the military and have retained jobs.

For many veterans returning from Vietnam, the lack of employment security has hampered their ability to adjust to post Vietnam society. The inability to comprehend why they should not have good jobs or job security simply because they gave years of their lives to serve in the military and risk their lives in Vietnam is the causal factor of many personality problems experienced by Vietnam Veterans. The loss of self-esteem and pride as a result of not being an adequate "bread winner" for their families. The anger that is felt because they feel rejected and betrayed by a society they fought to defend. The injustice of being denied job security and/or employment because of old standard stereotypes of Vietnam Veterans as being crazed killers who abuse drugs and alcohol continue to feed the adjustment/readjustment problems of these veterans. Their marriages are failing, they lose the desire to continue to fight for survival because of low self-esteem and they become angry. Approximately 60,000 men and women died in Vietnam. More than that figure have died either violent deaths or have committed suicide since their return from Vietnam.

Employment continues to be a critical issue in the Quad Cities area. Since September 1986 through May 1987 the Quad Cities Vet Center has seen 558 Vietnam Era Veterans seeking counseling services. Of these 558, 325 have received employment counseling of some form. In all cases, employment has a significant correlation to the adjustment/readjustment problems of Vietnam Era Veterans.

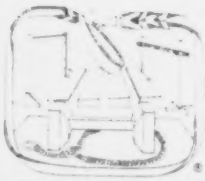
The single most identifiable concern expressed by the veterans visiting this Center is employment. Some clients are underemployed working in low-paying or part-time positions, most are simply unemployed. These veterans express fears regarding loss of homes, health care, familial continuity, and too often just meeting basic needs. Our service area has experienced a tremendous loss of manufacturing jobs that has badly eroded the employment base of our Vietnam Veteran population. These veterans returned to this area after separation and took positions in the factories as assemblers, welders, machine operators, warehousemen, foundry workers, etc. -- jobs for which there is no longer much demand. These veterans comprise the overwhelming majority of job seekers visiting this Center.

At the Quad Cities Vet Center, we offer a wide variety of employment services ranging from registration with the Job Service to referral to job openings. Other services include job development, referral to supportive services, tax credit eligibility determination, placement and counseling.

Also a program of note is the Veterans Job Training Act (VJTA) which has unfortunately been plagued by appropriations problems. This program addresses the severe unemployment being experienced by Vietnam and Korean Era Veterans. This program gives these veterans an extra-edge when competing for existing positions which offer retraining and decent wages and is also used to develop new job opportunities.

BYRON COGHLAN
Team Leader
Quad Cities Vet Center

TERRY S. FINCH
DVOP
Quad Cities Vet Center



"For Trainers By Trainers"

J and J Dog Supplies

P.O. Box 1517, Galesburg, Illinois 61402
Phone (309) 375-6944
Mike Godsil

Testimony given on June 15, 1987 in Galesburg, IL, before the Congressional Subcommittee on Education, Training and Employment during a hearing to review the Veterans' Job Training Act.

Gentlemen:

My name is Michael J. Godsil, and I am the president of J. and J. Dog Supplies, Inc., located in Galesburg, IL. Our company is a small, family-owned business that specializes in the manufacture and mail-order sales of dog-training equipment. Our most successful product is a professional-quality, hand-braided leather dog leash. Our products are sold by mail to customers throughout the U.S. and Canada, as well as overseas. Our company has experienced steady growth, with a ten-fold increase in sales during the past decade. 1987 sales are projected at $750,000. In order to accomodate this growth, we have just recently moved into larger facilities at the Hawthorne Centre in Galesburg. Our company currently employs 7 individuals, including management.

Our company first became involved with the Veterans' Job Training Program in July, 1986. We were at an awkward stage in our growth, as we needed to add another full-time employee, but could afford only a part-time salary. The V.J.T. Program provided the perfect answer. It allowed us to hire and train a full-time employee at the cost of a half-time salary during the 9 month training period. I contacted Mr. Gerald Kessel, the local Veterans' Employment Representative, and explained our situation. He was extremely helpful in explaining the details of the V.J.T. Program, and was quite knowledgeable about the specific veterans available for employment in our area. During a preliminary meeting with Mr. Kessel, I detailed the specific job skills we would want to train, while stessing the fact that we were looking for an individual who would be largely self-supervising at the end of the training period. After receiving detailed information from me, Mr. Kessel did the time-consuming preparation of the specific training program outline. His assistance in completing most of the application forms was greatly appreciated.

After receiving approval of our proposed training program, Mr. Kessel made arrangements for me to interview three veterans who were qualified to participate in the V.J.T. Program. Immediately following the interview, we hired Mr. Keith Senders, a 53 year-old veteran of the Korean conflict.

(continued)

Our normal, starting wage is $4.00 per hour, with a raise to $5.00 per hour after a 6-9 month period. The V.J.T. Program payments allowed us to pay Mr. Senders a starting wage of $5.00 per hour. At the end of his 9-month training, we were so impressed by his progress and his value to our company that we increased his salary to $6.00 per hour. An employee would normally be with our firm for at least two years before reaching that salary level, but Mr. Senders has proved to be an execptional employee. He enthusiastically pursued our on-the-job training program, and made rapid progress. He now has a solid, working knowledge of all aspects of our operations. Equally as important, he has shown himself to be exactly the type of responsible, self-supervising employee that I had outlined to Mr. Kessel in our initial meeting. In fact, he has recently been assisting in supervising the on-the-job training of a new, part-time employee. My company feels extremely fortunate that we were able to hire Mr. Senders. In addition to the skills acquired in our training program, Mr. Senders already posessed numerous skills. His knowledge of machinery and engines, and his skill at repairing almost anything has been a valuable addition to our operation. We frequently find ourselves seeking his suggestions when searching for solutions to problems.

I was so pleased with our experience in the V.J.T. Program that I recommended it to several other owners of small businesses. My brother, Mark Godsil, owns and operates The Woodsman, a small woodworking business. When he found his firm needed additional full-time help, I enthusiastically encouraged him to contact Mr. Kessel about the V.J.T. Program. The Woodsman now employs a Vietnam-era veteran who is currently completing his V.J.T.A. training. In addition, I found Mr. Kessel so helpful that I recently contacted him again in search of additional part-time help. He arranged for me to interview another Korean-era veteran who is semi-retired and was looking for long-term, part-time employment. Our needs and his seemed perfectly matched, and he is now undergoing on-the-job training (not related to the V.J.T.P.) and making good progress. Mr. Kessel was also helpful in finding several unemployed veterans who were willing to take short-term, temporary employment assisting my firm during our recent move from one facility to another. In short, our participation in the V.J.T. Program has ultimately provided employment for veterans far beyond the one specific veteran employed under the program. The continued growth of our firm will likely require the addition of another full-time employee either late this year or early in 1988. If Congress chooses to fund the V.J.T. Program for another year, my firm will most certainly choose to hire another veteran.

(continued)

Owners of small businesses such as mine, are usually wary of getting involved in Federal Government programs, for fear that the time and frustration involved in completing application forms, progress reports, requests for payments, etc. will negate any financial benefits offered by the program. I was truly amazed at how little "red tape" is required to participate in the V.J.T. Program. During the entire 9-month training period, I have spent a combined total of less than one hour of my time in completing the monthly Certification of Training forms. I was also pleasantly suprised by the speedy acknowledgment of approval of our proposed training program: it took only two weeks. The monthly reimbursement checks arrived within three weeks of our submission of the monthly Certification of Training Forms. In short, the people administering the V.J.T. Program have done a great job of minimizing the "red tape" for the owners of small businesses.

Our Federal and State Governments spend billions of dollars each year on welfare payments and unemployment compensation. In many instances, these payments of government funds continue unabated for years on end, simply to insure the continued survival of the recipients. The end result of many of these programs is nothing more than continued survival in a cycle of poverty and government dependency. In contrast, the minimal government funds expended under the V.J.T.A. to train Mr. Senders, will most likely be a one-time investment that will reap steady, lifetime employment for Mr. Senders, and yearly income tax revenue for the Federal Government. In simple dollars and cents, the V.J.T.A. paid less than $4,000 to my company for training Mr. Senders. At current rates, Mr. Senders will pay that much in federal income taxes in approximately two years. Figures such as these should make it clear that the V.J.T.A. is one of the most cost-effective programs in the entire Federal Government. As such, I would strongly urge continued funding of this program.

Respectfully,

Michael J. Godsil

Michael J. Godsil
President, J. and J. Dog Supplies, Inc.

Statement of Elizabeth A. Foley

CHAIRMAN DOWDY AND HONORABLE MEMBERS OF CONGRESS:

THANK YOU FOR THE OPPORTUNITY TO SPEAK WITH YOU TODAY. AMERICA, FOR YEARS, HAS BEEN KNOWN AS THE INDUSTRIAL GIANT, WITH THE HISTORY OF STRONG LEADERSHIP WHEN IT CAME TO MANUFACTURING AND SERVICE INDUSTRIES. WITH A REPUTATION AS AN INDUSTRIAL GIANT, IDEALLY, ALL AMERICANS WOULD HAVE JOBS. HOWEVER, WE ALL KNOW, AT THIS JUNCTURE, THAT IS UNREALISTIC. OUR FIRM IS COMMITTED TO AND FEELS THAT IT IS NECESSARY TO REWARD THOSE WHO HAVE DEFENDED AMERICA TO KEEP OUR FREEDOM AND ALLOW US TO OPERATE OUR COMPANIES IN A FREE SOCIETY.

PROGRAMS CREATED AS PART OF THE VETERANS JOB TRAINING ACT ARE BENEFICIAL TO SMALL START-UP COMPANIES SUCH AS CANTON INDUSTRIAL CORPORATION. THESE PROGRAMS ENABLE FIRMS TO BRING VETERANS INTO THE WORK FORCE, TRAIN THEM WITH NEW SKILLS AND CONSERVE CASH FLOW DURING THE CRITICAL LEARNING CURVE PROCESS WHEN PRODUCTIVITY HAS YET TO REACH PEAK LEVELS.

IT IS UNFORTUNATE THAT THE WISDOM CONGRESS USED TO CREATE THESE PROGRAMS DID NOT FOLLOW THROUGH IN ALL ASPECTS. IN QUALIFYING A VETERAN FOR THE PROGRAM, THE WAIT FOR CONFIRMATION FROM THE VETERAN'S ADMINISTRATION HAS AVERAGED 4-6 WEEKS. THIS CONFIRMATION OF ELIGIBILITY STILL DOES NOT COMMIT FUNDS FOR THAT PARTICULAR INDIVIDUAL. OBVIOUSLY, CONGRESS HAS NOT FUNDED THESE PROGRAMS TO SUFFICIENT LEVELS. THE COMPANY INTENDING TO HIRE THE VET MUST THEN SEND NOTICE TO THE VETERAN'S ADMINISTRATION OF INTENT TO HIRE A VET WHICH TAKES AN ADDITIONAL

2-3 WEEKS. HERE WE ARE, TWO MONTHS WITHOUT KNOWING IF THIS PROGRAM IS OF BENEFIT TO THE COMPANY AND EMPLOYEE. IT IS EXTREMELY IDEALISTIC FOR ANY ADMINISTRATION TO THINK THAT A SMALL COMPANY INTERVIEWS AND LINES UP EMPLOYEES TWO MONTHS PRIOR TO HIRING. EXECUTIVE MANAGEMENT IS COMMITTED TO HIRING VETERANS WHETHER THEY ARE QUALIFIED FOR THE PROGRAM OR NOT. IT IS UNFORTUNATE TO VETERANS, HOWEVER, THAT MANY FIRMS WOULD RATHER HIRE INDIVIDUALS WHO QUALIFIED FOR OTHER PROGRAMS WHERE THE RESPONSE TIME IS QUICKER AND BENEFITS FUNNEL THROUGH AT A FASTER PACE AND CAN BE APPROVED ON A LOCAL LEVEL.

IF CONGRESS IS COMMITTED TO ESTABLISHING PROGRAMS TO BENEFIT VETERANS, I WOULD WHOLEHEARTEDLY SUPPORT AND ENCOURAGE YOU TO FUND THESE PROGRAMS SUFFICIENTLY, FOR NOT EVERYONE FEELS AS STRONGLY ABOUT THOSE WHO HAVE DEFENDED OUR NATION. AND IT IS THE VETERAN'S WHO WILL BE AT A DISADVANTAGE.

Elizabeth A Foley

LIZA FOLEY, PRESIDENT
CANTON INDUSTRIAL CORPORATION
260 EAST ELM STREET
CANTON, IL 61520

STATEMENT OF

EDDIE JOE SPERRY

PRESIDENT VETERANS ADVISORY COUNCIL OF THE

17TH CONGRESSIONAL DISTRICT OF ILLINOIS

BEFORE THE

VETERANS AFFAIRS COMMITTEE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

U.S. HOUSE OF REPRESENTATIVES

ON THE

VETERANS JOB TRAINING ACT

15 JUNE 1987

Mr. Chairman, the Veterans' Advisory Council of the 17th Congressional District of Illinois appreciates this opportunity to appear today to express its views of the Veterans Job Training act (VJTA0).

The Veterans Advisory Council unequivocally supports the continuation of the VJTA and is very disappointed that the Veterans Administration, with really no prior notification, allowed it to just expire. The veteran community, quite naturally, felt confused and somewhat betrayed that without prior notification of any kind the VA notified the Office of Assistant Secretary for Veterans Employment and Training that the VJTA was finished. We, of course, realized that the program was unpopular at OMB and within certain circles of the VA as needless and unnecessary in light of decreasing official BLS statistics on veterans unemployment rates and ever mounting federal deficits.

But for the moment Mr. Chairman let us center on the program itself. We have found it an extremely popular veterans employment and training program that actually places eligible veterans in jobs. It is, or was, the only veteran employment and training program administered by either the VA or the Office of Assistant Secretary for Veterans Employment and Training that placed veterans directly in jobs in wholesale numbers. The program's popularity and ease of administration combined to place thousands of veterans on career paths.

The Veterans Advisory Council certainly believes in giving credit where it is due. And we compliment the VA, its Division of Veterans Benefits and the Office of Assistant Secretary for Employment and Training for jointly administering the VJTA. Their cooperation and ability to achieve a common goal speaks highly of the leadership and their respective departments and agencies. Not only was the program well administered, it had minimal bureaucratic hassles attached. A potential employer could get an eligible veteran hired in little time.

AMVETS, the service organization to which I belong, knows the truth to that statement as it has hired eight National Service Officers under the VJTP and would hire more should the program continue. Certainly AMVETS does indeed put its money where its mouth is and challenges other Veteran Service Organizations to follow its example. We hasten to add that all eight are still National Service Officers with excellent records of employment, all being Vietnam Era, four with service-connected injuries and two female veterans.

Since its inception as the Emergency Jobs Training Act, and later the Veterans Job Training Act, it has placed over 50,000 eligible veterans in jobs and over 70,000 employers have been approved. We would be the first, however, to caution that the program is not perfect. There are problems: such as high turnover of jobs; non-career opportunities; low percentage of disabled veterans involved; and too great an emphasis on veterans who are "job ready" to make the numbers look good. Also, that the "hard core" unemployed, and the disabled were at great disadvantage; and that of over 160,000 job slots approved, not half were filled.

We must also strive to eliminate the "start, stop" aspect of the program. We need program continuity, a definite future. We cannot have the VA, the Department of Labor, the State Employment Security Agencies, and especially employers and veterans alike "gear up" only to be told--no funds, no program. Their reaction will be quite predictable, and we really could not blame them.

Mr. Chairman, not withstanding those problems, the VJTP remains a worthwhile program that should be continued at least two or three more years. We are not out of the woods on veterans employment regardless of official statistics. Employment is still a significant issue for the veteran community, but certainly one that does not capture the imagination and initiative of many.

We mentioned earlier about where the VJTP fits in in the overall veterans employment and training scheme and how important it was. Indeed, it may have been the cornerstone because as we critically review employment and training programs for veterans, those that actually train and place veterans, the VJTA is, or was, the only one. There are no programs like the VJTP under title IVC of the Job Training Act; no veteran programs under titles II and III; the VocRehab and Education programs of the VA are limited to statutory eligibility. In short, the VJTP was the only veteran program which gave unemployed veterans any measure of hope. And we cannot, must not, remove that hope if there is one veteran we can help.

Mr. Chairman, The Veterans Advisory Council thanks you for this opportunity to express its views.

STATEMENT OF LARRY TSCHAPPAT, PRESIDENT CHAPTER 229
OF THE VIETNAM VETERANS OF AMERICA
BEFORE THE HOUSE VETERANS' AFFAIRS SUBCOMMITTEE
ON EDUCATION, TRAINING AND EMPLOYMENT,
CHAIRMAN WAYNE DOWDY

FIELD HEARING, GALESBURG IL
JUNE 15, 1987

Good morning, Chairman Dowdy, Congressman Evans, Congressman Jontz, fellow veterans, and friends.

My name is Larry Tschappat. I am the manager of E&J Used Auto and Truck Parts, Rock Island, Illinois. And I am also, President of Quad Cities Chapter 299 of the Vietnam Veterans of America. I appreciate being given the chance to speak before this Subcommittee, and would like to thank you gentlemen for extending this privilege to me. Mr. Chairman, I would like to ask that my written testimony be read into the Congressional Record at this time. Thank you.

In December of 1986, I helped form a Vietnam Veterans of America (VVA) chapter in the Quad Cities area. From the first, one of the main concerns voiced by these veterans was about unemployment. The lack of work in the area, very little proper retraining for new jobs, and the frustration of paperwork that they faced were constantly recurring items whenever we had a meeting. Being an employer, as well as a Vietnam veteran, I made up my mind to hire a veteran if a job opening became available at my business. When I was contacted in January 1987 by Mr. Jeff Nelson of Job Service of Illinois, I was very open to what he had to say. Mr. Nelson is a Veterans Employment Representative and he told me about the advantages to an employer available through the Veterans Job Training Act (VJTA). He explained about the training program, its goals, and most importantly, how it would help an unemployed veteran. And I would like to add that Mr. Nelson, who is also a Vietnam veteran and a member of VVA chapter 299, was very helpful whenever I had any questions concerning VJTA.

A job unexpectedly became available at my business in mid-January. And I knew that one of my fellow VVA members, Mr. Douglas Tice, already had his certificate of eligibility for VJTA (VA# 269-86-807). So, I contacted Mr. Nelson, and on January 22, 1987, we initiated paperwork to qualify my company for VA apporval under VJTA. It was routed through the VA Regional Office in Chicago, and on 26 January 1987, they sent me a letter acknowledging receipt of my application. Further, they stated that my training program had been approved for a length of six months (a total of 1039 hours), and that my paperwork had been sent on to the VA office in Houston for funding approval. And last, although I had received approval, it did not guarantee that funds were actually available for my company under VJTA. Frankly, I did not find that part to be very encouraging!

On 5 February 1987, I received a letter from the Houston office that stated ,"Regretfully, we must withhold approval of the above-named veteran's (Mr. Tice's) entry into your program of job training because funds are not now available for payment."

I know you can appreciate how frustrated I felt at that moment. Here I had a job opening, and a veteran that needed a job and was certified for VJTA, and yet, I could not hire him because the very program that encouraged such practice did not have any available money. Even worse, as an employer, I had a job that needed to be filled immediately and being put on hold just does not work in a business. Lack of productivity means lack of sales for me!

A week later, I was notified that funding was available after all, and so I hired Mr. Tice. I would like to say that this story had a happy ending, but it just did not work out that way. After, one month, Mr. Tice left my employment. Because of his previous technical training and experience, the job fell below his expectations. Being an intelligent man, Mr. Tice reconized that it was unfair to himself, and to me as his employer, to remain in a job where he would not be satisfied.

On 11 March 1987, I notified the VA office in Houston that Mr. Tice was no longer employed at my business. I received a subsequent letter that although I was still approved for VJTA, no funds would be approved in regards to Mr. Tice's brief employment.

My opinion of VJTA is that it works well, and can be a boon to the veteran. However, the certification process for an employer can be an obstacle in the hiring process. Previous experience with Job Training Partnership Act applicants has certainly been a lot simpler, I believe, because approval is made at the local level. This means that there is no delay in hiring when a job applicant comes to me. Frankly, with the huge amount of paperwork that I must now do by law, makes me understand why another employer would not want to take the time to fill out the VA application for VJTA approval.

And this experience with VJTA has made me agree with the Vietnam Vetrans of America's position that proper screening of a veteran for a job should be stressed before actual placement is attempted. Finding out what the goals and needs of the veteran are as important as his work skills is this program is to be really effective. As I understand it, the first ninety days are critical in a job placement. This makes me wonder if my own experience is an indication that there is a high attrition rate in relation to those using this Act.

In conclusion, my personal suggestion is that VJTA might be modified to be as simple to implement as the present JTPA program. Proper screening of each veteran would better insure retention of them on a job. This would not only help the vetern and make VJTA more effective, but would also make the program more attractive to the business community.

Mr. Chairman, that concludes my statement. I again want to thank the members of this subcommittee for allowing me to speak before you this morning. I will be pleased to answer any questions that you or the subcommittee (Congressman Evans) members might have. Thank you, sir.

JUNE 15, 1987

PREPARED STATEMENT OF PATRICK A. WINFREY, STATE COORDINATOR FOR VETERANS EMPLOYMENT, ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY (IDES)

THANK YOU FOR INVITING ME TO PARTICIPATE IN TODAY'S DISCUSSIONS ON THE VETERANS JOB TRAINING ACT (VJTA).

MR. CHAIRMAN AS YOU ARE AWARE, TITLE 38 OF THE U.S. CODE PROVIDES IN PART THAT:

> "AS LONG AS UNEMPLOYMENT AND UNDEREMPLOYMENT CONTINUE AS SERIOUS PROBLEMS AMONG DISABLED VETERANS AND VIETNAM-ERA VETERANS, ALLEVIATING UNEMPLOYMENT AND UNDEREMPLOYMENT AMONG SUCH VETERANS IS A NATIONAL RESPONSIBILITY." TO MEET THIS RESPONSIBILITY, CONGRESS ENACTED PUBLIC LAW 98-77, THE VETERANS JOB TRAINING ACT (VJTA) IN AUGUST, 1983.
>
> THE PURPOSE OF THIS ACT WAS TO ADDRESS THE PROBLEM OF SEVERE AND CONTINUING UNEMPLOYMENT AMONG VETERANS BY PROVIDING FINANCIAL INCENTIVES TO ENCOURAGE EMPLOYERS TO HIRE AND TRAIN CERTAIN WARTIME VETERANS FOR STABLE AND PERMANENT POSITIONS. HOWEVER, FUNDING FOR NEW ON-THE-JOB TRAINING CONTRACTS UNDER THIS PROGRAM HAS SLOWLY DWINDLED. WE ARE NOT SURE IF FUNDING WAS REDUCED TO BALANCE THE BUDGET OR BECAUSE THE NATIONAL UNEMPLOYMENT RATE IS DROPPING.
>
> WE BELIEVE THE MOST EFFECTIVE WAY OF REDUCING THE NATIONAL DEFICITY IS THROUGH A HIGHLY-SKILLED WORK FORCE THAT CAN OUT PERFORM FOREIGN COMPETITION. THUS, PROVIDING A STABLE WORK ENVIRONMENT OF ALL AMERICANS.

SINCE THIS PROGRAM WAS FIRST ENACTED IN 1983, THE UNEMPLOYMENT RATE HAS DROPPED 3.4% NATIONALLY AND 3.2% IN ILLINOIS ACCORDING TO OUR STATISTICAL RESEARCH DEPARTMENT.

UNEMPLOYMENT	1983	1984	1985	1986	AS OF APRIL, 1987	PERCENTAGE POINT DECREASE
NATIONAL	9.6%	7.5%	7.3%	7.0%	6.2%	-3.4%
ILLINOIS	11.4%	9.1%	9.0%	8.2%	8.2%	-3.2%

THIS DROP IN THE UNEMPLOYMENT RATE DOES NOT FAIRLY REPRESENT THE UNIQUE SITUATION OF THE VETERANS. THE NUMBER OF VETERANS SEEKING WORK THROUGH OUT ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY (IDES) OFFICES ROSE 14% FROM 1984 TO 1986 AT THE SAME TIME THE ILLINOIS UNEMPLOYMENT RATE WAS DROPPING. THE NUMBER OF VIETNAM-ERA VETERANS SEEKING WORK INCREASED 20% AND THE NUMBER OF DISABLED VETERANS INCREASED 28%. IN ADDITION THESE FIGURES DO NOT INCLUDE AN ESTIMATED TENS OF THOUSANDS OF ILLINOIS VETERANS WHO HAVE GIVEN UP SEEKING WORK OR WHO HAVE TAKEN JOBS BELOW THEIR SKILL LEVELS.

	P.Y. ENDING 6/30/84	P.Y. ENDING 6/30/85	P.Y. ENDING 6/30/86	% CHANGES	P.Y. ENDING 5/87
Total Vets 22 yrs and older	100,362	112,131	114,647	+14%	104,068
Vietnam Vets	38,893	46,460	46,734	+20%	42,946
Disabled Vets	2,927	3,728	3,746	+28	3,614

WHEN JUNE, 1987, IS INCLUDED, THESE FIGURES WILL CLOSELY MATCH THE '85 - '86 FIGURES.

THE VETERANS JOB TRAINING PROGRAM HAS BEEN GIVEN HIGH PRIORITY BY THE ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY. ALTHOUGH OUR LVERS AND DVOPS HANDLE THE MAIN RESPONSIBILITY IN THE IMPLEMENTATION OF THE PROGRAM, ALL JOB SERVICE STAFF IS ACTIVELY INVOLVED. FOR EXAMPLE, A JOB DEVELOPER FOR THE WORK INCENTIVE PROGRAM (WIN) WAS RESPONSIBILE FOR DEVELOPING A LARGE VJTA CONTRACT WITH MACDONALD'S CORPORATION FOR MANAGEMENT TRAINEES. STAFF ACTIVITIES INCLUDE;

1. PROMOTING VJTA WITH EMPLOYERS AND VIETNAM AND KOREAN WAR VETERANS.

2. ASSISTING EMPLOYERS IN FILING OUT APPLICATIONS AND JOB TRAINING OUTLINES FOR VA CERTIFICATION.

3. ASSISTING THE TARGETED GROUP OF VETERANS IN OBTAINING VA CERTIFICATION AND JOB TRAINING OPPORTUNITIES.

4. SOVLING PROBLEMS THAT MIGHT ARISE BETWEEN THE EMPLOYER AND THE VETERAN DURING THE TRAINING PROGRAM.

THIS IS AN EXCELLENT PROGRAM WHICH JUST KEEPS GETTING BETTER WITH TIME. BECAUSE THE PROGRAM INVOLVES A MINIMUM OF PAPERWORK IT IS EASY TO WORK WITH AND IS VERY PRODUCTIVE. THE VA PROVIDES EXCELLENT SUPPORT. THE PROGRAM HAS BECOME WELL ACCEPTED BY EMPLOYERS. VETERANS LIKE THE PROGRAM BECAUSE IT PROVIDES THEM A WITH A RAY OF HOPE FOR THEIR FUTURE.

AS OF JUNE 10, 1987, ILLINOIS HAS PLACED 1,438 VETERANS UNDER VJTA AND ILLINOIS EMPLOYERS HAVE RECEIVED ~~MILLION~~ DOLLARS IN TRAINING RE-IMBURSEMENTS.

WE STRONGLY RECOMMEND THAT CONGRESS CONTINUE THIS PROGRAM FOR THREE-YEARS. IT HAS PROVEN TO BE ONE OF THE MOST EFFECTIVE PLACEMENT TOOLS FOR PLACING VETERANS. EFFECTIVE PROGRAMS SHOULD NOT BE DISCONTINUED BUT CONTINED AND PROMOTED TO PROVIDE MORE OPPORTUNTIES FOR WHOM THE PROGRAM IS INTENDED TO HELP.

The American Legion
Department of Indiana
777 N. Meridian Street • Indianapolis, Indiana 46204

STATEMENT

of

ROBERT J. FOSTER, DIRECTOR
PUBLIC RELATIONS
THE AMERICAN LEGION
DEPARTMENT OF INDIANA

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

Schererville, Indiana
June 15, 1987

Mr. Chairman, The American Legion of Indiana is pleased and grateful for the opportunity to appear before this subcommittee to discuss issues of interest to our Hoosier veterans.

I wish to convey the personal greetings of our Department Commander, Mr. Alvin O. Werner of St. Leon, Indiana to each of the committee members this afternoon, and express Commander Werner's appreciation for bringing the subcommittee to the state.

Mr. Chairman, I would begin our testimony by stating that The American Legion is on record, through a resolution passed by our 68th National Convention in Cincinnati, Ohio in 1986, to advocate and support efforts to extend the Veterans Job Training Act through December of 1991, at a funding level of $75 million a year. Yearly extensions and under funding have lengthened the time it has taken to develop the confidence of employers and to refine program operations within VJTA.

VJTA statistics for the State of Indiana are ample proof that yearly budgeted amounts serve only to detract from the good of the program, and eventually cause its wasting away. Indiana was one of the first states to actively take advantage of the VJTA. I believe that statistics will show Indiana was among the very top states in the number of matches between veterans and employers under the program for a number of years, until the question of budgeting started to enter the picture. Today, even though there are funds budgeted for the program, there is no widespread publication being made that VJTA is alive and well. For the most

I must apologize for not having accurate statistics and numbers to back these claims, but the limited amount of time we had to prepare for today's testimony prevented us from cutting through red tape to get the statistics we needed.

However, The Indiana American Legion believes that yearly extensions and under-funding have lengthened the time it has taken to develop the confidence of employers and to educate veterans and veterans representatives of the program's worth. We further feel that an extension to VJTA to 1991 would enable the program to develop better jobs through fine-tuning of job training development techniques by Local Veterans Employment Representatives, Disabled Veterans Outreach Program personnel and other employment service staff. Moreover we recommend that the subcommittee examine the program's funding obligation history between June and December 1986 to avoid the embarrassment and program disruption which results from exhaustion of resources.

Mr. Chairman, The Indiana American Legion is very concerned about the dislocated worker. We have, here in the midwest, a particular problem due to the ever increasing number of workers who are being displaced due to the closing of factories, automation of the workplace, and of course the plight of the small family farmer must also be considered. Nationwide at least one million workers are currently experiencing job displacement each year, and the Bureau of Labor Statistics reports that 26 percent of these workers are veterans. In evaluating this figure, we must keep in mind that veterans constitute 13 to 16 percent of the total labor force. This means that the proportion of veterans who are displaced workers is nearly twice their incidence in the labor force. We have the feeling that veterans have been disprcportionately affected by the layoffs and plant closings and by farm losses. For that reason we are encouraging that this subcommittee consider targeting, and waiving the eligibility requirements for the dislocated worker. If that action were taken, we believe VJTA could make a substantial positive impact on the lives of veterans.

We face a unique challenge in Indiana. The Indiana General Assembly passed legislation this past session that, in effect, will devolve the structure of the employment services in the state. As you may know, by national resolution The American Legion opposes "any legislative, regulatory or administrative measure which would weaken or relinquish federal control of the Employment Service and its requirements for preference for veterans".

The American Legion has been aware that such a national proposal for devolution, is under development at the Department of Labor. We further felt that the programs being instituted within the state of Indiana would prove to be the test case for the rest of the nation. For that reason, the Indiana American Legion originally opposed Indiana Senate Bill 425, which sought to make changes within our state employment service. Our primary concern was that the current benefits and protections afforded veterans would be overlooked once state control was made over training and employment programs. We were pleased to be involved in an open consultation process with Indiana officials, who quickly amended the Senate Bill in 6 places inserting specific references to U.S. Code 38, chapters 41 and 42. Those amendments, combined with previous references to U.S. Code 29, alleviated most of the fears The American Legion had regarding the bill.

At the same time, the Indiana American Legion felt that the Job Training Partnership Act in 1982, failed to acknowledge the national responsibility for

assuring employment training services for veterans. The Legion felt this failure marked a departure from the policy of preceding training programs such as the Manpower Training Development Act, the Public Employment Program, and the Comprehensive Employment and Training Act.

Now, within the state of Indiana, veterans will have the opportunity to take full advantage of the VJTA to gain employment, and they will also have veterans preference under the Indiana JTPA to gain all important jobs skill training.

We hope our action will assist the chronically unemployed veteran... but as the changes within our state employment services will not take effect until the 1st of July, we have no base upon which a true determination can be made.

In closing, we would ask your consideration to insure the continuation of veterans preference under the current federal guidelines in place; we encourage the continuation of the Veterans Job Training Act through the year 1991, with proper funding; and we would ask for the insertion of veterans preference within the Job Training Partnership Act on a federal level to insure the protection of veterans preference into the future.

The staff of The American Legion, Department of Indiana and that of the National American Legion is, of course, eager to work with you and your staff on any of these matters.

Thank you.